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China Report

AGRICULTURE



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21 November 1984

CHINA REPORT

AGRICULTURE

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RAPID INCREASE IN COMMERCIAL RETAIL OUTLETS REPORTED

Beijing JINGJI RIBAO in Chinese 11 Jul 84 p 2

[Article: "Commercial Retail Outlets Increasing Rapidly Throughout the Country"]

[Text] Commercial outlets have rapidly increased everywhere since the 3d Plenary Session of the 11th Party Central Committee.

According to data supplied by the departments concerned, there were more than 6.6 million commercial retail outlets with more than 16.6 million employees in the country in 1983, or 5.3 and 2.7 times those in 1978, respectively. The development of urban and rural commercial outlets in recent years had the following main features:

First, because of the adoption of a circulation system with many different economic forms, many different channels and many different modes of operation, or a system with fewer intermediate links and fewer restrictions, both collective and individual commerce have developed rapidly. At the end of 1983, collective and individual commercial outlets totaled 970,000 and 4.9 million, respectively, being 27 and 22 times those in 1978.

Second, after the readjustment of economic policies, the exclusive role of the state sector in commercial operations has been gradually replaced by other sectors. In 1983, the outlets of the industrial branches selling their own products numbered more than 24,000, while those of government offices, mass organizations, enterprises, public agencies, neighborhoods, communes and productive brigades totaled more than 43,000. They have increased by 8 and 10 times over 1979, respectively. More than 8,000 integrated and jointly operated stores have been set up in various localities. In addition, agricultural and foreign trade markets have been opened in many cities throughout the country, totaling more than 43,000 in 1983.

Third, the commodity economy in the rural areas has rapidly developed, and the commercial units run by communes and production brigades continued to increase. In 1983, the commercial outlets in the countryside numbered more than 400,000 with 7.79 million employees. These numbers were 86.4 percent and 48.6 percent, respectively, more than in the previous year. The development of rural commerce has improved the longstanding unbalanced distribution of urban and

rural commercial outlets and played a very important role in facilitating purchases and sales among the peasant population, in enlivening the rural market and in promoting the interflow of goods between the cities and the countryside.

Fourth, in recent years, many famous stores and specialty stores have resumed operation, and more stores or counters dealing specially in household electrical appliances, toys for children and apparels for middle-age and old people have been set up in many cities. Some cities even have studios taking color pictures. At present, Guangdong, Hubei, Liaoning, Beijing and some other provinces and municipalities have one after another opened more than 40 bazaars where people can choose what they want to purchase.

The increase in commercial outlets everywhere has sown gratifying results. However, they are still far short of people's needs and further efforts are necessary. At present, the stores in many cities are suitably extending their business hours or operating at night for the convenience of customers. This should be an effective measure to remedy the shortage of commercial outlets.

9411

CSO: 4007/198

PRC RURAL AREAS LEAP IN COMMODITY PRODUCTION

Beijing ZHONGGUO NONGMIN BAO in Chinese 17 Jul 84 p 2

[Article by the Agriculture Department of the State Statistics Bureau: "Commodity Production in China's Rural Areas Develops at a Faster Pace"]

[Text] There have been continual developments in commodity production in rural areas in recent years, and the percentage of marketed products has increased rapidly. In 1983, national sales of farm and sideline products and township (commune) run industrial products in rural areas totalled 21.25 billion yuan, an increase of 16.9 percent over the previous year, and an increase of 1.2 times over 1978. Eliminating factors related to price increases, these were 12.9 percent and 60.8 percent increases, respectively. Average peasant commodity sales per capita reached 257.6 yuan, an increase of 33.6 yuan over 1982, and an increase of 135.1 yuan over 1978. The proportion of total value of agricultural output that was sold as products increased to 59.2 percent.

The current situation in rural commodity production is:

The rural labor force is developing from cropping to economic diversification. According to a nationwide investigation of labor force utilization conditions in 2,032 townships (communes) in 575 counties that was carried out last year, the labor force involved in cropping decreased from 82.6 percent in 1982 to 80.8 percent; the labor force involved in forestry, animal husbandry, sideline production (including brigade-run industries), and fisheries increased from 8.9 percent to 9.6 percent.

Township and town enterprises and household handicraft production has developed rapidly. There were 1.349 million township and town enterprises nationwide last year, with a total income of 92.87 billion yuan, an increase of 20.3 percent over 1982. Total sales by township and town industrial enterprises increased by 20 percent over 1982. Moreover, household handicraft sales also totalled more than 7.5 billion yuan. Township and town enterprises are fully equipped and there is a great variety of product types.

A large number of specialized households have appeared. According to preliminary statistics from related departments, there were 24.83 million specialized households in rural areas nationwide at the end of 1983, equal to 13.6 percent of the total number of rural households. Roughly two-thirds of these specialized households are involved in cropping and breeding, and they provided a large amount of farm and sideline products for society. According to a survey in Shanxi Province, the specialized grain households which made up 5.2 percent of the total number of rural households contracted for 10.8 percent of the cultivated land of the province, and the grain they sold equalled 37.3 percent of the total procurement tasks of the province.

Rural markets are flourishing and the volume of business has increased. There were a total of 43,515 rural markets nationwide at the end of last year, a 5.7 percent increase over 1982. Specialized markets and bulk sales markets have appeared in some areas. The markets are large in scale, with short marketing periods and daily growth. Total sales in the markets reached 32.8 billion yuan, an increase of 14.3 percent over 1982.

12539
CSO: 4007/203

COUNTIES WITH DOUBLED AGRICULTURAL INCOME LISTED

Beijing JINGJI DIAOCHA [ECONOMIC SURVEY] in Chinese No 2, 1984 pp 72-76

[Article by the Second Department of the Bureau in Charge of Enterprises Run by Communes and Production Brigades, the Ministry of Agriculture, Animal Husbandry and Fishery, Xhi Ying [1395 5391], editor in charge: "Statistical Data on Counties with Doubled Agricultural Income"]

[Text] According to the statistical data on 1,900 counties in 26 provinces, municipalities and autonomous regions (Hubei, Xinjiang and Nei Menggol excepted), the gross agricultural income of 93 counties and the per-capita income of commune members from distribution in 175 counties have more than doubled in the 3 years from 1979 to 1981, with 1978 used as the base. The counties under these two categories accounted for 4.9 percent and 9.2 percent, respectively, of the total number of counties covered by the statistics.

The 93 counties with doubled gross agricultural income were distributed over 10 provinces, municipalities and regions. Of these counties, 26 each were in Shandong and Guangdong, 17 in Anhui, 12 in Henan, 4 in Beijing, 3 in Fujian, 2 in Zhejiang and 1 each in Shanxi, Hebei and Guizhou. The total gross agricultural income of these counties increased from 4.88 billion yuan in 1978 to 11.89 billion yuan in 1981, a 144 percent increase with an average progressive increase of 34.5 percent each year. The income in Lingxian County of Shandong and Guzhen County of Anhui quadrupled in 3 years.

The 175 counties where the per-capita income of commune members doubled were distributed over 14 provinces, municipalities and autonomous regions. Of these counties, 48 were in Shandong, 42 in Guangdong, 32 in Henan, 26 in Anhui (a total of 148 in 4 provinces accounting for 84.6 percent of the total number), 9 in Fujian, 4 in Jiangsu, 3 in Beijing, 2 each in Guizhou, Hebei, Zhejiang and Jilin and 1 each in Xizang, Shanxi and Liaoning. Among the 175 counties, 51 of them had their incomes increased by more than 150 percent. Among these 51 counties, Lingxian, Pingyuan, Shinxian, Gaotang, Dong'e, Xiajin, Linxian, Juye, Jiaxiang and Binxian of Shandong and Guzhen and Huaiyuan of Anhui, a total of 12, more than quadrupled their income. In 75 of the 175 counties, the income for 1981 was twice that for 1980.

The majority of the counties where the income rapidly increased were originally poor and had low base figures. However, some of them developed rapidly even

from the basis of a high income level. For example, Haiding, Fengtai, Shijingshan and Chaoyang Wards in Beijing all had fairly good economic foundations, and their gross income increased by 160 percent in 3 years.

Out of the 175 counties, in which the per-capita income from distribution more than doubled, 88 originally had per-capita incomes of less than 50 yuan. More than 60 of them increased their per-capita incomes to more than 100 yuan in 1981, and 25 of them even increased their incomes to more than 150 yuan. The distribution level in 13 counties was above 100 yuan. These counties included Shunde and Zhongshan Counties of Guangdong and Zhangmu Kouan of Xizang, Haiding, Shijingshan and Chaoyang Districts of Beijing, all of which increased their per-capita incomes to more than 300 yuan. The per-capita income in Haiding District increased to 474.5 yuan.

These data do not include the commune members' incomes from their sideline occupations. The improvement would be even greater if this portion of their income were taken into account. The income from the household sideline occupations of the commune members has been greatly increased since the 3d Plenary Session of the 11th Party Central Committee. As can be seen from the results of many typical investigations, the increase from this source for the peasants has been faster than the increase in what they obtained from collective distribution.

Attachments:

1. Statistical Table Showing the Increase in Agricultural Income in 1981 over 1978.
2. Statistical Table Showing the Per-Capita Income from Distribution for Commune Members in 1981 over 1978.

1. Statistical Table Showing Increase in Agricultural Income
in 1981 over 1978

| Province | County | Gross Income in 1981 (10,000 yuan) | Gross Income in 1978 (10,000 yuan) | Increase in 1981 over 1978 (%) |
|-----------|------------|--|--|--------------------------------------|
| Guangdong | Huidong | 11,958 | 5,675 | 101 |
| | Zijin | 11,602 | 4,072.58 | 185 |
| | Dabu | 6,630 | 3,080 | 115 |
| | Meixian | 15,557 | 6,672 | 133 |
| | Changjiang | 1,890 | 896.7 | 111 |
| | Qiongzong | 1,651.7 | 765.3 | 116 |
| | Dianbai | 21,995 | 7,764 | 183 |

| Province | County | Gross Income in 1981 (10,000 yuan) | Gross Income in 1978 (10,000 yuan) | Increase in 1981 over 1978 (%) |
|----------|-------------------------|--|--|--------------------------------------|
| Shandong | Huazhou | 21,979 | 8,080 | 171 |
| | Yangchun | 20,050 | 7,642.9 | 162 |
| | Maoming Municipality | 7,334 | 2,921.7 | 151 |
| | Lianping | 4,842 | 2,206.61 | 119 |
| | Heyuan | 8,624 | 3,860 | 123 |
| | Huiyang | 14,598 | 4,803 | 203 |
| | Yingde | 18,619 | 8,699 | 114 |
| | Yangshan | 10,334 | 4,238.86 | 144 |
| | Boluo | 20,109 | 8,844 | 127 |
| | Longchuan | 9,558 | 4,086 | 134 |
| | Wuhua | 12,785 | 5,506.22 | 132 |
| | Dongfang | 2,804 | 1,046 | 168 |
| | Xinyi | 15,943 | 7,809 | 104 |
| | Xuwen | 10,665 | 4,047.3 | 164 |
| | Suixi | 13,322 | 5,751.9 | 132 |
| | Gaozhou | 25,585 | 11,557.9 | 121 |
| | Yangjiang | 21,149 | 9,496 | 123 |
| | Doumen | 6,685 | 3,285.37 | 103 |
| | Haikang | 15,660 | 6,932.3 | 126 |
| | Lingxian | 20,047 | 4,438.36 | 352 |
| | Leling | 11,018 | 4,626.30 | 138 |
| | Pingyuan | 12,733 | 4,069.1 | 213 |
| | Heze | 17,779 | 7,701 | 131 |

| Province | County | Gross Income in 1981 (10,000 yuan) | Gross Income in 1978 (10,000 yuan) | Increase in 1981 over 1978 (%) |
|----------|-----------|--|--|--------------------------------------|
| Zhejiang | Chiping | 10,8... | 4,452.6 | 143 |
| | Shenxian | 16,606 | 5,627 | 195 |
| | Gaotang | 11,939 | 3,964 | 201 |
| | Liaocheng | 16,231 | 7,618 | 113 |
| | Donghe | 12,329 | 3,938 | 213 |
| | Guanxian | 15,620 | 7,144 | 119 |
| | Wenshang | 16,031 | 7,099 | 126 |
| | Xiajin | 9,243 | 3,199.7 | 189 |
| | Guangrao | 11,454 | 5,202 | 120 |
| | Yucheng | 9,448 | 4,042 | 134 |
| | Qiyang | 9,031 | 4,302.3 | 110 |
| | Shanghe | 11,097 | 4,446 | 150 |
| | Linhe | 9,594 | 4,101.4 | 134 |
| | Juye | 14,538 | 4,842 | 200 |
| | Jinxiang | 12,620 | 6,050 | 109 |
| | Jiaxiang | 16,128 | 6,004 | 169 |
| | Yangxin | 6,406 | 3,075.56 | 108 |
| | Gaoqing | 6,848 | 3,070.46 | 123 |
| | Binxian | 9,568 | 4,038 | 137 |
| | Qihe | 15,344 | 6,518.4 | 108 |
| | Yanggu | 13,653 | 6,651 | 105 |
| | Linqing | 12,319 | 5,304 | 132 |
| | Qingtian | 3,467 | 1,636 | 112 |

| Province | County | Gross Income in 1981 (10,000 yuan) | Gross Income in 1978 (10,000 yuan) | Increase in 1981 over 1978 (%) |
|----------|-----------|--|--|--------------------------------------|
| Anhui | Dongtou | 3,321 | 1,465 | 127 |
| | Changfeng | 19,452 | 7,656.35 | 154 |
| | Sixian | 12,383 | 4,546 | 172 |
| | Wuhe | 14,482 | 4,582 | 216 |
| | Guzhen | 15,392 | 3,713 | 315 |
| | Huaiyuan | 21,831 | 8,483 | 157 |
| | Yingshang | 15,393 | 5,931 | 160 |
| | Boxian | 22,771 | 9,020 | 152 |
| | Fengyang | 14,099 | 5,154.44 | 174 |
| | Jiashan | 10,392 | 4,367.15 | 138 |
| | Fengtai | 9,718 | 4,012.13 | 142 |
| | Dingyuan | 15,465 | 5,863.49 | 164 |
| | Feixi | 18,596 | 9,171 | 103 |
| | Lingbi | 16,647 | 7,031 | 137 |
| | Jieshou | 7,111 | 3,371 | 111 |
| | Lixin | 12,321 | 5,911 | 108 |
| | Mengcheng | 17,183 | 6,222 | 176 |
| Henan | Funan | 12,138 | 5,862 | 107 |
| | Xixian | 14,736 | 6,860.3 | 115 |
| | Huaibin | 12,027 | 3,651 | 229 |
| | Xincai | 12,297.4 | 5,343 | 130 |
| | Yunan | 16,692 | 6,845 | 144 |
| | Fugou | 14,490.7 | 7,009.28 | 107 |

| Province | County | Gross Income in 1981 (10,000 yuan) | Gross Income in 1978 (10,000 yuan) | Increase in 1981 over 1978 (%) |
|----------|---------------------|--|--|--------------------------------------|
| Fujian | Xiping | 14,219 | 6,958.9 | 104 |
| | Dengfeng | 8,681.1 | 3,818.52 | 127 |
| | Xihua | 13,821.2 | 6,447 | 115 |
| | Qixian | 13,289.6 | 5,892.2 | 126 |
| | Queshan | 9,835.5 | 4,500.86 | 119 |
| | Lankou | 8,975.2 | 4,204 | 113 |
| | Zhengyang | 12,143 | 5,778.82 | |
| | Yongtai | 3,523.1 | 1,568.35 | 125 |
| | Changle | 8,651.46 | 3,673.14 | 136 |
| | Pingtang | 2,557.12 | 956.39 | 167 |
| Guizhou | Zhengan | 6,076 | 2,661 | 123 |
| Beijing | Haiding Ward | 29,563 | 13,420 | 120 |
| | Fengtai Ward | 25,306 | 10,377 | 144 |
| | Shijingshan Ward | 3,420 | 961 | 256 |
| | Chaoyang Ward | 29,487 | 8,018 | 268 |
| Shanxi | Zuoyun | 2,569 | 1,235 | 108 |
| Hebei | Wuqiao | 6,411 | 3,057 | 110 |

2. Statistical Table Showing Per-capita Income from
Distribution for Commune Members in 1981 over 1978

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|-----------|---------|-------------------------------------|-------------------------------------|---|
| Guangdong | Huidong | 211 | 68 | 210 |
| | Zijin | 167 | 48.7 | 243 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|-------------------------|-------------------------------------|-------------------------------------|---|
| | Dabu | 132.68 | 53.52 | 148 |
| | Meixian | 205 | 64.67 | 217 |
| | Changjiang | 145.2 | 52 | 179 |
| | Qiongzong | 141 | 57.8 | 144 |
| | Dianbai | 148 | 48 | 208 |
| | Lianjiang | 163 | 54 | 202 |
| | Huazhou | 164 | 54 | 204 |
| | Yangchun | 189 | 68.18 | 177 |
| | Maoming Municipality | 151 | 53.4 | 183 |
| | Yunfu | 248.55 | 72 | 245 |
| | Lianping | 132 | 57.2 | 131 |
| | Heyuan | 131 | 53 | 147 |
| | Huiyang | 234 | 67 | 249 |
| | Yingde | 169 | 80.1 | 111 |
| | Yangshan | 145 | 65.9 | 120 |
| | Boluo | 267 | 97 | 175 |
| | Longchuan | 116.7 | 41 | 185 |
| | Wuhua | 118 | 45.33 | 160 |
| | Dongfang | 79 | 34 | 132 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|-----------|-------------------------------------|-------------------------------------|---|
| Shandong | Xinyi | 137 | 62.1 | 121 |
| | Xuwen | 216 | 72.2 | 199 |
| | Suixi | 167 | 55.7 | 200 |
| | Gaozhou | 161 | 67.47 | 139 |
| | Yangjiang | 148.32 | 58.8 | 152 |
| | Doumen | 243 | 78.31 | 210 |
| | Lianxian | 165 | 78 | 112 |
| | Longmen | 201 | 94 | 114 |
| | Shunde | 377.75 | 174.68 | 116 |
| | Zhongshan | 336.82 | 131 | 157 |
| | Lianshan | 181.5 | 85.8 | 112 |
| | Heping | 99.2 | 40.3 | 146 |
| | Dongguan | 305 | 149.8 | 104 |
| | Xinhui | 233 | 104 | 124 |
| | Kaiping | 171 | 72.88 | 135 |
| | Taishan | 152.4 | 68 | 124 |
| | Enping | 130 | 65 | 100 |
| | Wuchuan | 105 | 44 | 139 |
| | Kaihang | 129 | 51 | 153 |
| | Zhanjiang | 116.15 | 55.4 | 110 |
| | Huaxian | 262 | 131 | 100 |
| | Lingxian | 220 | 42.91 | 413 |
| | Leling | 166.4 | 42.12 | 295 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|-----------|-------------------------------------|-------------------------------------|---|
| | Pingyuan | 218.5 | 48.98 | 346 |
| | Heze | 140 | 43.4 | 223 |
| | Chiping | 159 | 43.98 | 262 |
| | Shenxian | 167 | 37.4 | 347 |
| | Gaotang | 228 | 45 | 407 |
| | Liaocheng | 170 | 57 | 198 |
| | Dong-e | 240 | 47.5 | 405 |
| | Guanxian | 178 | 46.96 | 279 |
| | Wenshang | 165.8 | 51.4 | 223 |
| | Xiajin | 159.6 | 34.8 | 359 |
| | Shanxian | 98 | 40.4 | 143 |
| | Guangrao | 145 | 56 | 159 |
| | Qingyun | 107.6 | 43.41 | 148 |
| | Yucheng | 156 | 45.6 | 243 |
| | Qiyang | 154.2 | 44 | 250 |
| | Shanghe | 157 | 44.54 | 252 |
| | Linyi | 166.1 | 40.73 | 308 |
| | Juye | 186 | 39.8 | 367 |
| | Juancheng | 70 | 30.8 | 127 |
| | Jinxiang | 177 | 50.2 | 253 |
| | Jiaxiang | 196.3 | 40 | 391 |
| | Yangxin | 128.1 | 41 | 212 |
| | Gaoqing | 153 | 41 | 273 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|-----------|-------------------------------------|-------------------------------------|---|
| | Binxian | 189 | 44 | 330 |
| | Qihe | 162.9 | 50.85 | 220 |
| | Fengcheng | 175.7 | 54 | 225 |
| | Huimin | 136 | 49 | 178 |
| | Qicun | 172.7 | 72 | 140 |
| | Xuecheng | 124 | 54 | 130 |
| | Yanzhou | 160 | 57.4 | 179 |
| | Dongping | 122 | 50 | 144 |
| | Ningyang | 124 | 52.62 | 136 |
| | Yanggu | 151 | 48.4 | 212 |
| | Linqing | 155 | 41.93 | 270 |
| | Chengwu | 120 | 45 | 167 |
| | Caoxian | 92 | 42.7 | 115 |
| | Yucheng | 104 | 42.4 | 145 |
| | Dingtao | 103 | 43.4 | 137 |
| | Feicheng | 118 | 53 | 123 |
| | Pingyang | 115 | 47.31 | 143 |
| | Zouxian | 119.2 | 46 | 159 |
| | Sishui | 85.1 | 40.1 | 112 |
| | Tancheng | 104.6 | 49 | 113 |
| | Linyi | 97.3 | 40.7 | 139 |
| | Changqing | 100 | 47.65 | 110 |
| | Tengxian | 123.8 | 59.5 | 108 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|-----------|-------------------------------------|-------------------------------------|---|
| Anhui | Changfeng | 203 | 62 | 227 |
| | Sixian | 129 | 44.37 | 191 |
| | Wuhe | 196 | 84.95 | 131 |
| | Gucheng | 245 | 44.38 | 452 |
| | Huaiyuan | 153 | 27.85 | 449 |
| | Yingshang | 101 | 34 | 197 |
| | Boxian | 169 | 47 | 260 |
| | Fengyang | 213 | 61.2 | 248 |
| | Jiashan | 180 | 60.9 | 196 |
| | Fengtai | 146 | 46 | 217 |
| | Jinshu | 268 | 101.8 | 163 |
| | Dingyuan | 172 | 51.5 | 234 |
| | Suxian | 106 | 51 | 108 |
| | Feixi | 190.4 | 73 | 161 |
| | Laian | 181 | 77.8 | 133 |
| | Lingbi | 139 | 45.68 | 204 |
| | Jieshou | 100 | 40 | 150 |
| | Lixin | 91 | 35 | 160 |
| | Mengcheng | 142 | 42 | 238 |
| | Tianchang | 220 | 85.6 | 157 |
| | Huoqiu | 121.1 | 58 | 109 |
| | Chuxian | 261 | 102.9 | 154 |
| | Guoyang | 90 | 41 | 120 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|----------|-------------------------------------|-------------------------------------|---|
| Henan | Funan | 78 | 35 | 123 |
| | Guangde | 143.7 | 54 | 166 |
| | Suixi | 100 | 45.49 | 120 |
| | Xixian | 159.6 | 54 | 196 |
| | Huaibin | 172.8 | 43.4 | 298 |
| | Pingyu | 114.4 | 45.95 | 150 |
| | Xincai | 104.7 | 38.4 | 173 |
| | Yunan | 150.2 | 50.22 | 199 |
| | Fugou | 166 | 62 | 168 |
| | Shenqiu | 119.3 | 47.4 | 152 |
| | Xiping | 173 | 46.79 | 270 |
| | Xinyang | 110.7 | 44.4 | 149 |
| | Shangcai | 98 | 39.3 | 149 |
| | Suiping | 115 | 43.54 | 137 |
| | Sheqi | 129 | 56 | 130 |
| | Zhenping | 106 | 45 | 136 |
| | Tanghe | 100.4 | 47.9 | 110 |
| | Dengxian | 133.4 | 49.9 | 167 |
| | Dengfeng | 139.44 | 48.5 | 188 |
| | Sihua | 148.1 | 47.8 | 210 |
| | Dancheng | 102 | 49.4 | 106 |
| | Luyi | 108.9 | 47.6 | 129 |
| | Dakang | 90 | 44 | 105 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|---------------|-------------------------------------|-------------------------------------|---|
| Jiangsu | Qixian | 121.19 | 43 | 182 |
| | Shangshui | 102 | 41.8 | 145 |
| | Jueshan | 128.8 | 46.32 | 178 |
| | Yongcheng | 89 | 40 | 123 |
| | Lankao | 110.27 | 43 | 156 |
| | Huaiyang | 108 | 51 | 112 |
| | Kangxian | 56 | 26.6 | 111 |
| | Zhecheng | 97 | 47 | 106 |
| | Weishi | 99.7 | 48.2 | 107 |
| | Yanling | 113.1 | 56.3 | 101 |
| | Zhengyang | 116.9 | 52.3 | 124 |
| | Tongxu | 113.6 | 52.9 | 115 |
| | Xuyi | 173.62 | 58 | 199 |
| | Lianshui | 113.51 | 52 | 118 |
| | Siyang | 112.13 | 54 | 108 |
| | Sihong | 121.48 | 44 | 176 |
| Xizang | Changmu Kouan | 334.21 | 142 | 135 |
| Guizhou | Zhengan | 104.07 | 37 | 181 |
| | Suiyang | 115 | 49 | 135 |
| Fujian | Yongtai | 103.7 | 36.1 | 187 |
| | Yongding | 98.7 | 40.8 | 198 |
| | Huaan | 134.62 | 63.48 | 112 |
| | Changle | 113.18 | 36.8 | 208 |

| Province | County | Per-capita Income in 1981 (yuan) | Per-capita Income in 1978 (yuan) | Increase in 1981 over 1978 (%) |
|----------|------------------|-------------------------------------|-------------------------------------|---|
| Beijing | Pingtian | 111.5 | 28.2 | 295 |
| | Zhaoan | 103.05 | 51.4 | 100 |
| | Zhangpu | 108.31 | 50.3 | 115 |
| | Dongshan | 144.58 | 54.34 | 166 |
| | Yunxiao | 128 | 63.3 | 102 |
| | Haiding Ward | 474.5 | 195 | 143 |
| | Shijingshan Ward | 376.8 | 167 | 126 |
| | Chaoyang Ward | 335.8 | 135 | 149 |
| Shanxi | Zuoyun | 144.3 | 57.1 | 153 |
| Hebei | Wuqiao | 205.43 | 61 | 237 |
| | Guantao | 113.2 | 47 | 141 |
| Jilin | Siping | 267.82 | 102 | 163 |
| | Lishu | 219.91 | 100 | 120 |
| Liaoning | Zhangwu | 126 | 59 | 114 |
| Zhejiang | Qingtian | 70.63 | 28.95 | 144 |
| | Dongtou | 123.43 | 34.4 | 259 |

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'FIVE-YEAR DOUBLE OUTPUT' FARMS APPEAR

Beijing JINGJI RIBAO in Chinese 18 Jul 84 p 2

[Article: "A Group of 5-Year Double Output State Farms Has Appeared Throughout the Nation"]

[Text] A group of five-year double output state farms has appeared following the integration of agriculture, industry and commerce in the nation's land reclamation system. According to statistics from land reclamation bureaus in 26 provinces, autonomous regions and directly-administered municipalities, 5 provinces, 23 regional land reclamation management bureaus (divisions) and 341 state farms doubled their total value of industrial and agricultural output from 1978 to 1983. The state farms that doubled output amount to 18.9 percent of the 1,807 state farms of the 26 provinces, autonomous regions and directly-administered municipalities, and make up 16.5 percent of the 2,070 state farms in the national land reclamation system.

The five provinces and directly-administered municipalities where state farm output has doubled are:

| Area | Total Value of Industrial and Agricultural Output (million yuan) | | Times Increase 1978-1983 |
|----------|--|--------|-----------------------------|
| | 1983 | 1978 | |
| Tianjin | 117.435 | 52.51 | 1.2 |
| Shanxi | 33.905 | 12.897 | 1.6 |
| Sichuan | 76.733 | 36.84 | 1.1 |
| Guizhou | 23.961 | 10.437 | 1.3 |
| Zhejiang | 184.239 | 73.79 | 1.5 |

The state farm management bureaus (divisions) of the 23 double-output regions are:

| Area | Total Value of Industrial and agricultural Output (million yuan) | | Times Increase 1978-1983 |
|---------------------------|--|---------|-----------------------------|
| | 1983 | 1978 | |
| Inner Mongolia | | | |
| Bayannur League | 38.748 | 16.023 | 1.4 |
| Jilin Province | | | |
| Changchun Municipality | 11.452 | 4.303 | 1.66 |
| Jilin Municipality | 15.909 | 6.856 | 1.3 |
| Tonghua Prefecture | 50.586 | 22.504 | 1.24 |
| Yanbian Prefecture | 31.312 | 15.395 | 1.03 |
| Fujian Province | | | |
| Fuzhou Municipality | 19.811 | 3.987 | 3.97 |
| Henan Province | | | |
| Nanyang Prefecture | 7.886 | 2.227 | 2.5 |
| Sichuan Province | | | |
| Chongqing Municipality | 31.912 | 10.41 | 2.1 |
| Zigong Municipality | 2.766 | 0.73 | 2.8 |
| Luzhou Municipality | 1.333 | 0.358 | 2.7 |
| Deyang Municipality | 0.653 | 0.20 | 2.3 |
| Yibin Prefecture | 3.035 | 1.11 | 2.7 |
| Leshan Prefecture | 1.215 | 0.528 | 2.3 |
| Nanchong Prefecture | 1.24 | 0.329 | 2.8 |
| Guizhou Province | | | |
| Giannan Prefecture | 1.729 | 0.578 | 2 |
| Tongren Prefecture | 0.299 | 0.137 | 1.2 |
| Giandongnan Prefecture | 1.079 | 0.435 | 1.5 |
| Anshun Prefecture | 2.325 | 0.901 | 1.6 |
| Xinjiang Production Corps | | | |
| Farm Division 1 | 275.909 | 116.289 | 1.37 |
| Farm Division 2 | 231.387 | 111.673 | 1.07 |
| Farm Division 5 | 57.727 | 28.82 | 1 |
| Farm Division 6 | 283.807 | 141.241 | 1 |
| Farm Division 7 | 198.166 | 93.199 | 1.1 |

(Value of output calculated according to 1980 constant prices)

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ECONOMY OF STATE FARM SYSTEM PROSPERS

Beijing JINGJI RIBAO in Chinese 4 Jul 84 p 1

[Article: "The Economy of the State Farm and Land Reclamation System in China Has Entered a New Era of Flourishing Development--Moving from Simple Agriculture Along the Path of Integration of Agriculture, Industry and Commerce After 35 Years of Construction"]

[Text] There are now 2,592 independent enterprises on the state farm and land reclamation production battlefield in China after 35 years of construction, a 100-fold increase over the number of state farms when New China was founded. More than 67 million mu of wasteland has been reclaimed, a 150-fold increase over the land in state farms at Liberation. More than 200 billion jin of grains and legumes and more than 1.34 million tons of natural rubber have been produced in the past 35 years. There has been a preliminary establishment of a group of production bases for commodity grain, industrial crops, urban non-staple foodstuffs and for foreign trade and export. The state farm and land reclamation economy made up deficits and increased surpluses five years ago, and has been profitable for five successive years.

As early as the period of the War against Japan, the Government of the Shaanxi-Gansu-Ningxia border region overcame difficulties at Yanan to set up the Guanghua state farm. In 1943, the 359th Brigade led by Comrade Wang Zhen [3769 7201] developed the world famous Nanniwan, and created the vanguard for large-scale socialist agriculture in China.

After the founding of New China, the Party and the state paid a great deal of attention to the development of state farms as a model for the construction of socialist agriculture. Chairman Mao personally issued the order to transform 31 divisions of the People's Liberation Army into production and construction divisions. State farms thus entered a stage of all-round creation and construction.

In the Northwest, Comrade Wang Zhen led the Second and Sixth Armies and the revolting ranks of General Tao Zhiyue [7118 1492]

1471] to jointly organize the Xinjiang Production and Construction Corps. Over the past 30-plus years, this large industrial army has built up water conservation, planted trees and forests, and reclaimed wasteland for farming on the barren Gobi wilderness. The Corps now has 169 agricultural and animal husbandry farms with a cultivated area greater than 13 million mu. They supplied 570 million jin of commodity grain, more than 1.31 million dan of cotton, and more than 34 million jin of oils to the state last year, and they are making great contributions to enriching the frontier economy, strengthening national unity, and protecting border areas.

At the same time, the railroad corps of the People's Army established a state farm at Mishan in Heilongjiang and began to develop the Mudanjiang region. Under the leadership of Comrade Wang Zhen, 100,000 officers and men advanced on the "three rivers plain" between the Heilongjiang, Songhua River and Nen River in the spring of 1958, and reclaimed the "great wasteland of the north." This was the first and largest scale advance in the history of land reclamation in China. Comrade Guo Moruo [6753 3106 5387] wrote a long poem entitled "An Attack on the Earth." Later, the large numbers of cadres and young urban helpers who were sent to the countryside took part in these development activities. The "great wasteland of the north" that had lain dormant for eons was finally transformed into the "great granary of the north." They sell 4 billion tons of grain and legumes to the state each year, and they form the largest commodity grain base area in the country at the present time.

In order to destroy the shackles of imperialism, the CPC Central Committee decided to establish its own base area for the production of natural rubber shortly after the founding of the nation. Under the leadership of Comrade Ye Jianying, two forestry construction corps from the People's Liberation Army and an independent corps opened up Hainan Island and the Leizhou Peninsula and established rubber plantations. Later, they dispatched cadres and technicians to assist Yunnan, Guangxi and Fujian in planting rubber trees. There are now more than 4 million mu of rubber plantations in the Guangdong reclamation district that produced 127,000 tons of dry rubber last year. The Yunnan reclamation district has more than 900,000 mu of rubber plantations that produced 24,000 tons of rubber last year. These two reclamation districts have become the two primary rubber production base areas in China.

Along with development of the Northwest, the Northeast and the South, the cause of land reclamation has developed in other provinces, municipalities and autonomous regions. A large group of state farms have been established, forming the national state farm and land reclamation system.

There has been a complete reorganization of the land reclamation system since the 3rd Plenary Session of the 11th CPC Congress, and a series of reforms have been carried out. They are moving from simple agriculture along the road to integration of agriculture, industry and commerce. The total value of industrial output in the state farm and land reclamation system has increased at an average annual rate of 9 percent since 1979. The long period of deficits has ended, and there have been five successive years of surpluses. The total value of industrial and agricultural output has already doubled in 359 land reclamation enterprises in 27 provinces, municipalities and autonomous regions, equal to 19 percent of the total number of land reclamation enterprises in these areas. Land reclamation enterprises in the five provinces and municipalities of Tianjin, Zhejiang, Shanxi, Sichuan and Guizhou have more than doubled the total value of industrial and agricultural output. Based on the opinion of Premier Zhao Ziyang that state farms should operate family farms, five million land reclamation employees throughout the nation are carrying out further reforms of farm management systems, and have already set up more than 80,000 family farms. The land reclamation economy in China has entered a new era of flourishing development.

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PRC PROMOTES GRAIN STORAGE BY CITIZENRY

Beijing ZHONGGUO NONGMIN BAO in Chinese 8 Jul 84 p 2

[Article: "All Areas of the Country Are Actively Developing Work for the Storage of Grain for the State by the Citizenry-- Alleviate Difficulties in Selling, Buying and Storing Grain"]

[Text] According to forecasts by related departments, there will be a bumper harvest of summer grains this year, and total output will increase over last year. At present, grain departments in all areas of the country are further developing many forms of work for the storage of grain for the state by the citizenry in order to purchase and store grain well and to assure the safety of summer grain.

All areas of the country have been actively developing work for the storage of grain for the state by the citizenry since the last half of last year. According to our understanding, the grain being stored for the state by the citizenry is being well taken care of, and there basically are no spoiling, insect or contamination problems. This not only alleviates the peasants' "difficulties in selling grain" and the state's "difficulties in buying and storing grain", but it is also an entirely feasible method for facilitating the commodity circulation of grain.

There have been successive bumper harvests in grain production in China in recent years, and there are serious shortages in state warehouse capacity and difficulties in storage. In order to solve this problem, grain departments in several areas have developed many forms of work for the storage of grain for the state by the citizenry under the leadership of local party and government organs. A portion of the grain procured for the state in Liaoning Province is being stored by the peasants, and there are clear directives concerning the period of handling, quality requirements, administrative methods and the various costs and payment. Tens of thousands of peasant households in the province are earnestly assuming responsibility for the storage of more than 4 billion jin of grain for the state. This year, Jiangxi Province established several rural grain purchase and storage

service stations to supplement the state grain purchase and storage network. They are purchasing, storing, handling and transporting grain for the state. They also are storing grain rations, seeds and feed grains for the peasants, and are exchanging them for improved varieties and varieties in short supply. With assistance from grain departments, supply and marketing departments, and rural brick factories, more than 2,700 peasant households (equal to one-third of the total number of peasant households) in Gingyi Prefecture in Sichuan Province are repairing and constructing many small grain warehouses, with a total storage capacity of more than 10,000 cubic meters. Each household can store 3,000 jin of grain on the average.

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COMMENTARY ON IMPROVING RURAL TRANSPORTATION

Beijing ZHONGGUO NONGMIN BAO in Chinese 24 Jun 84 p 1

[Commentary: "Strengthen the Weak Links of Communications and Transportation in the Countryside"]

[Text] Communications and transportation are the indispensable preconditions for developing commodity production. Without these facilities, there will be no exchange of commodities. At present, communications and transportation are still weak links in the countryside. To solve this problem, we must step up highway construction, encourage and support the counties, townships and broad masses of peasants in raising funds for building and transforming the county and township highways and make use of the resources of the state, the collectives and the individuals.

In places where conditions are favorable for building rural highways, we can rely on the counties, townships and peasants to pool their funds and on the peasants to contribute their labor. When highways are available, people will be able to bring in what they want to buy and to bring out what they want to sell. The peasants will then become wealthy more quickly. In addition to highways, waterways should also be developed wherever possible. We must improve the channels in a well-planned way and utilize whatever can be utilized. If the channels are unfit for large ships, they will be used by small ones. In places not easily accessible by either land or water routes, air transportation should be relied on if conditions permit. If we can promote land, water and air transport at the same time and coordinate short hauls with long-distance transportation, commodity circulation will be revitalized.

In developing transportation, we must uphold the policy of relying on the resources of the state, the collectives and the individuals. We must encourage and support the peasants in developing transportation. "On the Broadway under the sky, let different parties use different sides," as the old saying goes. If people do their best and the goods can circulate freely, the situation will be fine. We must arouse the enthusiasm of the state and the collective sectors as well as individuals before the problem of circulation can be solved.

Recently, the people's provincial governments in Shanxi and Hunan have decided to take effective measures to overcome the difficulties of individual peasants and groups of peasant households in developing transportation. This decision comes like timely rain. Let all localities have some timely rain and the new sprouts of rural transportation undertaken by specialized households and integrated bodies will grow more sturdily.

ANIMAL HUSBANDRY PROSPECTS IN PRC OUTLINED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 3, March 84 pp 1-6

[Article by He Changmao [0149 2490 5399], Agricultural Economics Institute, Chinese Academy of Agricultural Sciences: "Prospects for Animal Husbandry Development in China and Several Current Problems Which Need To Be Solved"]

I

[Text] Agriculture is the foundation of the national economy. Animal husbandry is an important component of agriculture. Carrying on a program of agriculture which includes animal husbandry has an extremely important strategic significance for initiating a new aspect in overall socialist modernization.

There has been a great development of animal husbandry production in China since the founding of the PRC. The total number of livestock rose from 157 million head in 1949 to 580 million head in 1982, a 2.7-fold increase, with large livestock topping 100 million. The gross output value from animal husbandry (based on 1970 constant prices) rose from 4.98 billion yuan to 27.94 billion yuan, a 4.6-fold increase. The commodity ratio for marketable livestock products also has gone up year after year. But development in the livestock industry still is unable to meet the ever-increasing needs of national construction and the people's livelihood. This is chiefly manifested in the following:

1. Although there are large numbers of livestock, production standards are low and there are few livestock products per capita. At the end of 1981 the amount of livestock in China, large and small, such as hogs, cattle and sheep, accounted for 15.6 percent of world totals, but in that year meat output made up only 8.7 percent of the world total. In 1982, there were 26.7 jin per capita of pork, beef and mutton in China, 3.87 jin of dairy products, and 5.5 jin of eggs from poultry, but world levels for meat, milk and eggs for the same period were 63.1 jin, 209 jin, and 12.9 jin, respectively.
2. Production conditions are poor and development is unstable; in particular, the pastoral areas are at the mercy of natural forces to a great extent in raising livestock,

and animal husbandry has not been able to free itself in the long term from the situation of "strong in the summer, fat in the fall, thin in the winter, dead in the spring." For example, in Nei Monggol Autonomous Region, the number of livestock has dropped ten times in the last 30-plus years, with a great deal of fluctuation. 3. The proportions are out of balance and the structure is irrational. In the structure of the agricultural economy, the proportion devoted to livestock raising is on the small side; it amounted to only 12.4 percent of gross agricultural output value in 1949 and only 15.5 percent in 1982. In the structure of the livestock industry itself, the proportion of hogs is high and the proportion of forage animals (cattle, sheep) tends to be low. Of 1982 meat output, 94.2 percent was pork and only 5.8 percent was beef and mutton, while the world average for the same period was 38.7 percent pork, 38.3 percent beef and mutton, 20.6 percent poultry, and 3 percent others. 4. There are insufficient supplies of forage grass for feed, and livestock raising is not very scientific. Only 0.36 percent of grassland area is comprised of fields of cultivated grass and only 1.8 percent is made up of fenced pastureland. A lot of the grassland in the north is deteriorating to sand; in the south, construction of grassy hillsides and mountain slopes amounts to very little. The feed processing industry did not begin to be set up until the last few years and produces but a single line of feed in improper proportions; thus the livestock growing period is long and the return on the feed is low. In addition, because livestock raising is extensive, equipment and facilities are poor and epidemic prevention is lagging behind, many of the livestock die. 5. There is poor administration and management, and low economic results. For a long period of time we have simply concentrated on the number of livestock on hand and have not been concerned about feed or pay, have not paid attention to speeding up herd turnover and have ignored the slaughter ratio and commodity ratio of marketable products; consequently, economic benefits have been quite poor and some state-run and collective units have incurred losses over the long term. According to statistics for 1979, each 100 mu of grassland in China produced 23 jin of beef and mutton, 48 jin of milk and 7 jin of sheep's wool (impure wool [wu mao 3064 3029]) while during the same period the Soviet Union produced 229 jin, 3,329 jin, and 17 jin, respectively. Moreover, livestock product processing, cold storage and transport conditions were poor, which also seriously affected animal husbandry development and the raising of economic results.

The 12th Party Congress of the Chinese Communist Party proposed the grand goal of quadrupling the gross annual output value of industry and agriculture by the end of the present century. In accordance with the requirements for such a quadrupling, estimates (based on 1980 constant prices) show that by growing at an average annual rate of 7.2 percent, output value from livestock raising should reach 130-plus billion yuan by the year 2000. Although it is a formidable task, we feel that it is entirely possible to realize this goal if only we handle the work well. In the first place, despite the fact the average annual growth rate in the livestock industry in China has been only slightly more than

4 percent for the last 30-plus years as a whole, the average growth rate during the eight-year period of normal development between 1949-1957 was 8.5 percent. In the 20-year period of 1962-1982, the average growth rate was 8.1 percent, which also included the unfavorable influences of the ten years of turmoil, so it is apparent the 7.2 percent average growth rate we must achieve for the next 20 years is possible. Secondly, there is great potential for animal husbandry in China. For example, while the average annual output of milk per dairy cow is only about 3 tons, wool output per sheep is 3.5 jin, the ratio of feed to eggs for chickens is 3.5 : 1, and the slaughter rate for hogs is 60-65 percent, there are 20,000 head of dairy cows in Beijing and Shanghai with average annual milk output exceeding 6 tons, a ratio of feed to eggs for chickens of 2.6 : 1, and in some areas as many as 10,000 improved-breed fine-wooled sheep with average wool output reaching 6 kilograms. In Suzhou Prefecture and Changsha City, the slaughter rate for hogs is above 120 percent [as published]. Thirdly, after implementation of the joint production contract responsibility system, specialized livestock-raising households and key households have sprung up like mushrooms. They are all highly enthused about engaging in commodity production. If, by the end of this century, the number of specialized households and key households expands to about 40 million and comprises 20 percent of the total farm households, figuring an average output value of 2000-3000 yuan from livestock production per household, it is possible for the gross annual output value to reach approximately 100 billion yuan. Calculating about 300 yuan in output value from livestock raising by ordinary farm households and revising the figure to be based on one-half the total number of these households, the gross annual output value from this source could reach 30 billion yuan. Combining these two gives a total of upwards of 130 billion yuan. Moreover, the output value from animal husbandry on state-run agriculture and livestock farms could amount to 4-5 billion yuan. Therefore, we are fully confident about quadrupling the gross output value from livestock raising.

We should note, however, that for China to achieve the goal of quadrupling output value from livestock production by the end of the century, we still must do a lot of work, such as remaking the natural environment, developing and utilizing natural resources, developing technology and economic policies as well as our intellect, etc. Let us now discuss one person's views on these issues, for reference.

II

China covers a vast territory, there are extreme differences in natural and economic conditions in the various localities, and the livestock raising regions are more widely distributed than those of the farming industry; therefore, we should suit measures to local conditions even more in implementing systematic guidance. Only in this way can we bring into play the best in each locality, raise production and increase economic results.

A. Agricultural Regions Are Key Strategic Points for Animal Husbandry Development in China

Currently, approximately 86 percent of the livestock and about 95 percent of meat production in all of China is found in the agricultural regions. Poultry and eggs are chiefly supplied from these areas as well. Comparatively speaking, animal husbandry in the agricultural regions consists mainly of hog raising, with cattle and sheep being much fewer than in the pastoral areas. For this reason, the good and the bad of hog production in the agricultural areas has a direct impact on the livelihood of the people in the cities and countryside and on market stability. Therefore, hog raising will continue to be the focal point of animal husbandry in the agricultural areas for a long time to come. In the past, due to putting undue emphasis on the number of hogs on hand at year's end, neither the slaughter ratio, product ratio, nor commodity ratio was high. The slaughter rate for hogs nationwide in 1982 was only 66.7 percent, with an average of 126.8 jin of meat per head; this was much lower than the advanced levels at home and abroad. From now on, we should devote a lot of time and energy to stabilizing the number of animals on hand and raising the "three ratios." If by 1990 we are able to raise the slaughter ratio to 90 percent and the average output of meat per head reaches 130 jin, there would be 270 million fat slaughter hogs and a pork output of 35 billion jin. Again, if by the end of the century we raise the slaughter ratio to 120 percent [as published] and the average output of meat per head to 135 jin, there would be 370 million fat slaughter hogs and a pork output of 50 billion jin, or 41.5 jin of pork per capita. Adding beef and mutton, there would be about 50 jin of meat per capita nationwide (excluding the meat from poultry). We could adopt the following three measures to achieve the goals mentioned above:

1) Expand herds and feed sources. Since agricultural districts are the chief areas for production of grain, cotton, oil-bearing and other economic crops, we could fully utilize farm sideline products and a portion of the grain to grow hogs and other, foraging, livestock. First is to extensively utilize straw from farm crops. Every year China produces approximately 700 billion jin of straw from farm crops, a relatively large portion of which is burned as fuel. In the wake of gradually mitigating the problem of energy resources in the rural areas, a large amount of the straw could be used for growing livestock. The second thing is to vigorously expand the planting of green feed (including green manure crops), and extensively utilize freshwater surfaces for breeding aquatic animals and plants. Experience in various areas shows that utilizing water surface areas to cultivate water hyacinth, water lettuce, water peanuts [shui hua sheng 3055 5363 3932] and duckweed, where conditions are good it is possible to produce several tens of thousands of jin of aquatic plants per mu annually, which, after being beaten into pulp are fed to hogs could greatly economize on the amount of concentrated feeds that are used. Additionally, we could fully utilize the dregs from vegetable oils. More than 20 billion jin of oil dregs were produced nationwide in 1982. If half

the cottonseed cakes and rapeseed cakes were used as feed, based on a 15-20 percent proportion being added to ordinary feed, we could make 30-40 billion jin of compound feed mix. This is of special significance in light of the serious shortage of protein for feed use in China. Therefore, we must alter the method of utilizing most of the cottonseed cakes and rapeseed cakes by directly applying them to the fields as fertilizer, and gradually bring about the situation where they are returned to the fields by way of the belly. Moreover, we must also fully utilize animal blood, bone, viscera and feathers, as well as silkworm chrysalises and fish entrails.

2) Rationally develop and utilize grass-covered hills and mountain slope resources. There are approximately one billion mu of grassy hills and slopes in southern China, some 600 million mu of which could be utilized, yet of which only 200 million mu are presently being used. Grass yields per unit area from the grassy hills and slopes in the south are generally 2-3 times higher than from the fine pastures and grasslands of the northern pastoral areas, with highest yields of fresh grass amounting to 4000-5000 jin, and 700-800 jin at the lowest. There are abundant resources of varieties of forage grass; according to incomplete statistics, there are 297 genera and 1,670 species of forage grasses, including 210 genera and 1,200 species in the grass family, and 87 genera and 470 species in the pulse family. If only there is rational development and utilization, and careful and skilful handling of agriculture, forestry and husbandry concerns, there can be relatively large growth in the livestock industry. To develop the grassy hills and slopes in the south, we should fix use rights for these hills and slopes, divide them in a planned manner and give each household and commune member a definite amount, and encourage them to plant trees and establish forests and grow forage grass to solve the fuel and forage grass feed problems.

3) Set up farms step by step in a planned manner to grow high-yield, high-quality cultivated grass and popularize crop rotation on the grass plots. Based on experience in the Nanshan pastureland in Chengbu [Miao Autonomous] County, Hunan Province, through many years of cultivating rye grass, the grass yields were raised five-fold over natural grasslands, the period of green grass was lengthened by two months, and crude protein was maintained at about 15 percent over a long period of time. For red clover grown on the Xiaoshao dairy farm in Yunnan, the per mu yield of fresh clover was 5000-9000 jin, and milk yields were raised 49.5 percent for clover-fed dairy cows over those fed an equal amount of natural forage grass. According to experiments, 6-8 mu of mixed cultivated grasses grown for a number of years could support one cow. If, by the year 2000, it is possible to improve and construct 100 million mu of grassy hills and mountain slopes in southern China and use them to expand beef and dairy cattle production, they could carry 10-15 million head of livestock. Based on revised figures of an average yearly per mu output of 20 jin of meat and 200 jin of milk, we could produce 1 billion jin of beef and 10 billion jin of milk annually, so there is great potential.

B. We Must Speed Up Development of Animal Husbandry in the Pastoral Areas

The extensive pastoral areas in Nei Monggol, Xinjiang, Qinghai and Xizang are traditional bases of livestock production in China, have vast expanses of natural grasslands and are fine areas to develop forage livestock. However, because of the irrational practices of protracted overgrazing, blindly bringing land under cultivation and indiscriminately digging up medicinal materials, we have seriously destroyed the ecological balance of the grasslands and brought about a decline in grass yields. The grass-livestock contradiction is gradually becoming more salient, resulting in serious degeneration in individual livestock, a lowering of the production rate and an increase in the winter and spring mortality rates. For example, in 1979-1982 in Qinghai 1.7 million head of mature livestock died each year on the average, or 7.9 percent of the total, which was an increase of 600,000 head per year more than died on the average between 1969-1978; 1.6 million young animals died per year on the average for 1979-1982, or 27 percent of the total, which was an increase of 300,000 head per year more than died on the average between 1969-1978. In the 1960's, the average carcass weight for beef cattle was 165 jin; for 1977-1979, it was 124 jin, a 25 percent drop. Also in the 1960's, the average carcass weight for mutton sheep was 41.4 jin; for 1977-1979, it was 31.8 jin, a 23 percent drop. To change this situation, we must bring about rapid development of animal husbandry in the pastoral areas. We should take care to do a good job in the three areas below:

- 1) We must thoroughly transform our thinking and preference for emphasizing grain over livestock and emphasizing livestock over grass (feed), and adopt decisive and effective measures to resolutely halt overgrazing and avert the continued deterioration of the grasslands. To genuinely achieve this, we definitely must fix ownership, usage, and management rights, and authority for constructing grass farms, enhance protection of the pasturelands and give them a chance to revive.
- 2) Carry on grassland construction well and in earnest. When comrades of the central leadership inspected some of the provinces and autonomous regions in the Northwest recently, they explicitly advanced the policy of planting grass and trees, developing animal husbandry, and transforming the Great Northwest. Under the guidance of this policy, we must actively launch grassland construction; just as we stress farmland capital construction, we must enter into planning at all levels for grassland capital construction, and ensure materials, technology and funds. The focus of construction at present should be on protecting the large areas of natural grass pasturelands, and their rational utilization and renewal. The chief concerns for construction from now on are to renew and foster the natural grass farms, set up farms for growing cultivated grass, raise more grass and store more grass. At the same time, we must also improve and foster the grazing land and grow feed crops, and popularize feed ensiling and the use of mixed feed.

In grassland construction we should stress irrigation works, grass reserves (completely fenced grass fields), shed and pen construction, and popularize seeding by airplane. There are presently about one billion mu of grass fields in the pastoral areas nationwide which are short of water, or about 30 percent of total grass field area. If we could solve the problem of water shortage on these grass fields, we could greatly increase the livestock carrying capacity. In construction of irrigation works, we should start with resolving the issue of providing water for the grass fields, people and livestock in the winter and spring, progressively set up cultivated forage irrigation bases, fully and rationally utilize all irrigation resources by suiting measures to local conditions, set up on a large scale various irrigation projects such as pipes, canals, wells, ponds and sprinklers, persist in laying equal stress on construction and management, improve the irrigation system, make the canal system as complete as possible, raise the utilization coefficient for the canal system, increase income and reduce expenditures, plan water usage, economize on water usage and continually increase economic benefits.

According to incomplete statistics for 10 provinces and autonomous regions, there has been construction of a grand total of approximately 70 million mu of "grass reserves" in the last few years. Practice proves that the "grass reserves" are indeed important means to resolving the seasonal imbalance between grass and livestock. Beginning in 1980, some "four households" herdsmen in Zhaowuda League, Bairin Right Banner, Nei Monggol, jointly enclosed and set up a "grass reserve" of 131 mu and interseeded grass with grain; within one year they were changed from feed-purchasing households with a shortage of grass to ones with a surplus of grass and feed. Per capita income of the "four households" commune members rose from 70 yuan in 1980 to 123 yuan in 1981. There are "grass reserves" for 70 percent of the herds throughout the banner at present, greatly increasing the livestock carrying capacity. Based on rough estimates, present annual livestock losses in the pastoral areas nationwide due to calamities of wind and snow total approximately 10-plus million head, with a value of as much as several hundreds of millions of yuan. This situation is closely related to the fact that construction of sheds and pens cannot keep pace. To increase the ability of the livestock to resist natural calamities, we should actively intensify shed and pen construction, make sure the large livestock get pens and the small livestock get sheds as soon as possible, and that both fine-breed and improved-breed livestock have warm sheds; we should construct permanent sheds and pens where conditions warrant. According to statistics since 1979, an area totalling upwards of 1.8 million mu has been seeded to forage grass by airplane in several tens of counties in the provinces and autonomous regions of Nei Monggol, Shaanxi, Ningxia, Jilin and Xinjiang. A representative survey in Xinjiang shows that construction of one mu of grass fields planted manually generally requires 40-65 yuan; construction of a semi-manually planted grass field, 12-48 yuan.

On the other hand, seeding one mu to forage grass by plane only requires 7 yuan on the average, and even calculating in the seedlings after sowing, the average is still only about 9 yuan. So the ratio of costs for seeding grass fields by plane versus manual planting is 1 : 1.3-6, with the higher economic benefits apparent.

3) We must "determine herdsizes on the basis of grass available" and regulate herd structure. Reducing the growth cycle, and in areas where the amount of livestock exceeds the carrying capacity, we should consciously adjust the carrying capacity, reduce the number of animals to make the scope of livestock raising compatible with the productive capacity of the grasslands, and achieve a balance between grass and livestock, especially under conditions of serious shortages of forage and suffering natural calamity. We must take the initiative to manage a group of animals in a planned way, increase social wealth, reduce losses from death, and change the situation of sitting by passively and being ravaged by natural calamities to actively taking precautions against them. Altay Prefecture in Xinjiang organized the fattening of lambs of large-tailed sheep for slaughter the same year. Although the number of animals throughout the prefecture in 1981 was less than 10 percent of the total for the autonomous region as a whole, it supplied 50 percent of the total commodity beef and mutton for the region. Qinghe County changed from producing mutton from mature sheep and stressed production of meat from fattened lambs, and in 1981 the overall rate of increase was 60.7 percent, the slaughter rate was 57.5 percent and the commodity ratio for marketable products, 33.3 percent; all these experiences are desirable.

C. Animal Husbandry Must Be Actively Developed in the City Suburbs

There is a special significance to speeding the development of animal husbandry in the city suburbs, setting up the suburban districts as urban supply bases for non-staple food goods to provide the cities with abundant animal products, giving full play to ensuring the role of the cities as economic centers and bringing stability and unity to the people. We should adopt the following measures to enable greater development of animal husbandry in the city suburbs:

1) Reform the quota control system of various large cities as regards the suburban areas by gradually shifting from assessing quotas mainly for grain, cotton and edible oil to assessing quotas for items to serve the cities, such as vegetables, milk, eggs and poultry. Correspondingly, we must gradually reduce or exempt the suburbs from the task of handing over grain to the higher authorities and enable the peasants in the suburban areas to go all out to develop livestock production. Shanghai has done precisely this and consequently has raised its degree of self-sufficiency in hogs to 55 percent and in fresh eggs to 60 percent.

2) Gradually raise the proportion of milk, eggs, poultry and lean-meat-type hogs in the area of animal products and adopt diverse methods to solve the feed problem. This is because not only is there great demand in the cities for milk, eggs, poultry and lean meat, their being produced and supplied locally offers greater advantages with respect to preserving freshness, storage and transport. Experience in various areas proves that, under present circumstances of the state still being not too well-off with respect to grain, adopting the following courses of action to solve the feed problem would be effective: a) vigorously develop existing medium- and low-yielding fields in the city suburbs, make great efforts to raise unit-area yields and increase gross output, and enhance feed self-sufficiency; b) bring into play the superiority of the cities with regard to funds, technology and industry, strengthen economic cooperation with commodity grain producing regions and help to supply each other's needs; c) develop exports, increase foreign exchange earnings and import a portion of the feed; d) develop comprehensive utilization of waste material in the cities and countryside and set up systems to recycle energy and materials in the urban and rural areas (including recovery of residues, sugar, bran, rice dregs, silage, straw and tree leaves, reprocessed chicken manure, and cultivated maggots and earthworms); e) enhance development and utilization of non-agricultural feed resources in the cities and the production of industrial feeds and feed compounds. Calculations based on surveys show that using compound feeds to grow livestock and poultry can increase the feed utilization rate about 20 percent. At least one hundred jin of feed can be saved in raising one 180-jin fat hog on compound feed as compared with traditional methods of hog raising, and the slaughter time can be moved up 3-5 months.

3) Implement policies which give simultaneous consideration to state-run operations, the collective and the individual. State-run livestock farms in the city suburbs have good quality animals, strong technical capabilities, and guaranteed funds and feed; this is the main body and backbone strength of livestock production in the suburbs. Fresh milk supplies are chiefly produced on state-run dairy farms for most cities nationwide at present. Therefore, where state and local financial conditions permit, we should extend and develop modernized state-run livestock farms or state-commune jointly operated livestock farms in the city suburbs, including dairy farms, hog farms, chicken farms and duck farms. This is one of the major steps we can take to meet the rapidly increasing demand in the cities for goods such as meat, eggs and milk. Beijing, for example, raised its degree of self-sufficiency in chicken eggs from 12 percent to above 60 percent through mechanized chicken farming, an exceptionally outstanding result. Simultaneous with this, we should also vigorously expand husbandry by the collectives and commune member households. Eggs sold to the state by specialized households amounted to 85 percent of the total purchases citywide in the city of Tsitsihar. Specialized households in Harbin City raised 70 percent

of the mature chickens grown citywide, and 46 percent of the dairy cows. After development of the "two households" in Jinhua City in Zhejiang, there was a doubling and redoubling of cow's milk, ensuring wide-open supplies on the market. From now on we should further adopt vigorous and safe measures to bring about better development of specialized households in various city suburbs throughout the country so they can contribute more toward supplying the cities with poultry, eggs and milk.

III

In developing agricultural production, first, rely on policy; second, rely on science. In developing livestock production, no matter whether in agricultural regions, pastoral areas or city suburbs, only if we hold firmly to these two things will enthusiasm toward production continue to run high among the masses and production be carried forward uninterrupted.

In order to realize the grand strategic goal of quadrupling the gross annual output value of animal husbandry by the end of the century, we feel that policy should be further perfected at present in the following areas: a) We propose progressively increasing investments in the livestock industry. For communes, brigades and commune members who as individuals improve the grasslands and grassy hills and mountain slopes, and establish farms for cultivated grass, we should use subsidies and rewards just as we do for afforestation, land reclamation and water and soil conservation. b) For communes and brigades which concentrate on livestock, the agricultural tax should be changed to an animal husbandry tax, state purchase of grain should be changed to purchase of livestock products, state purchase quotas should be relatively stable, and grain rations for commune members should be guaranteed. c) There should be appropriate readjustment of the prices of some livestock products; for example, cowhides are purchased for only 20 yuan each, whereas imported cowhides demand \$40 each, and each jin of imported washed and cleaned wool requires 2.5 yuan in state subsidies. If an early solution to these types of problems can be found, the state, collectives and commune members as individuals all would benefit. d) It is proposed that a "grasslands law" be enacted as quickly as possible to change the current situation of having no law on which to rely for grassland management and grassland construction and the practice of administering many approaches.

Science and technology are productive forces. We should mainly engage in energetically improving the breeds of various livestock at present. Improved-breed livestock are stable, of high quality, high-yielding, low-consuming, early-maturing and highly adaptable. The economic benefits are twice to several times as great in general for improved-breed livestock as for indigenous breeds. For example, put similarly to pasture to feed on grass, 10 jin of wool can be cropped in one year from a high quality fine-wooled sheep, whereas only 2-3 jin of wool can be

cropped from an indigenous sheep, with the economic return from the former being 5-6 times higher than from the latter. Fed the same amount of feed, the quantity of eggs produced by improved-breed chickens is one-third to one-half greater than the amount produced by ordinary breeds. There are also great differences in the production performances of improved-breed beef and dairy cattle, as well as other livestock and poultry as compared to ordinary breeds. Therefore, no matter whether in the agricultural regions, pastoral areas or city suburbs, active selection and improvement of livestock breeds and continually increasing the proportion of fine-breed livestock both play an important role in developing livestock production and increasing the output of livestock products and economic results. At the end of 1982, fine-breed and improved-breed sheep had increased to 37.8 million head nationwide, comprising 35.5 percent of the total number of sheep in the country. The fine wool, semi-fine wool, and improved wool produced amounted to more than two-thirds of total wool output. Although the number of sheep only increased 313.6 percent [as published] from 1965 to 1982, wool purchases by the commercial departments increased 1.6-fold. The number of improved cattle has presently reached about 2 million head, among which 817,000 are fine-breed and improved-breed dairy cattle, a 1.1-fold increase over the 382,000 head in 1975, or an average annual increase of 11.2 percent. Milk goats have increased to more than 2 million head. Improved hogs have become fairly universal in some areas. There has been rapid progress in popularizing fine breeds of poultry as well. More than 1000 state-operated livestock and poultry-breeding farms and over 500 state-run breeding stations have been set up nationwide at the provincial, prefecture and county levels. In addition, more than 100 frozen semen stations and a number of liquid nitrogen stands have also been set up throughout the country, and some livestock production base counties have tentatively formed frozen semen breeding systems. Speaking in terms of the nation as a whole, however, livestock quality and production performance is still lacking somewhat at present and the proportion of fine-breed and improved-breed livestock is still quite low; in particular, not enough attention is given to breeding fine local varieties, to the point where there is a great disparity between some livestock breeds in China and advanced world levels. In expanding animal husbandry from now on we must insist on the simultaneous development of both numbers and quality, giving priority to raising quality. We must first make clear what the goals of selective breeding are in improving livestock and poultry breeds. In most areas we should gradually move in the direction of improving cattle breeds for multiple use as meat, milk and draft animals. We must improve sheep breeds in the direction of fine-wooled or semi-fine-wooled varieties. We must vigorously develop lean-meat-type breeds of hogs to adapt to changing market demand. Poultry must be improved in the direction of high output layers and meat-types. At the same time, we must continue to improve fine local livestock and poultry varieties with special economic or genetic breeding uses through selective breeding, develop them appropriately or do a good job of preserving them, and guard against a

blind, indiscriminate changing of things. Secondly, based on needs, the state should construct in a planned manner some fine-breed livestock and poultry farms, farms for original breeds, and breeding centers in order to provide fine breeds for the various provinces and autonomous regions. Each province, autonomous region and municipality directly under the Central Government should manage its own improved-breed livestock and poultry farms so as to supply fine breeds to the counties; prefectures and counties should chiefly run breeding farms to provide fine breeds to the commune brigades; the brigades and commune members should mainly produce economic hybrids and engaged in commodity production. We must pay great attention to popularization and application of artificial insemination and frozen semen technology. We must universally promote commune livestock veterinary stations for raising livestock and poultry breeding stock and managing the breeding business, and support in part experienced commune member-household or individually managed breeding businesses, to form a breeding network. In addition, utilizing hybrid superiority is an important way of increasing the output of livestock products. Various localities should organize the technical personnel of scientific research units and institutions of higher learning, and through scientific experimentation, propose within the next few years a plan for combining hybrids of different poultry breeds to be applied and popularized in production.

To vigorously develop animal husbandry we must attach great importance to talent and training. According to incomplete statistics, there are altogether only about 1,000 scientific and technical personnel nationwide at present engaged in grasslands and forage grass work. It is quite evident that if this state of affairs is not promptly changed, we will be ill-suited to meet the developing requirements of objective situation. Therefore, we must put great effort into training livestock and grasslands technical cadres and animal husbandry business management cadres. In the first place, we should adopt effective measures and try hard to improve the conditions of work and livelihood of the various classes of livestock scientific and technical personnel in place today who have struggled over the long term in the forefront of the livestock industry, properly resolve difficulties and questions pertaining to their being admitted to the Party, rising in rank, and being promoted to a higher office, as well as the issue of their children attending school and obtaining employment, and enable them to feel at ease about their jobs. Secondly, it is proposed that besides the agriculture and livestock colleges and technical secondary schools in various localities throughout the country, we should energetically create conditions to establish additional specialized fields of study or professional training classes in forage grass and livestock husbandry economics, and foster talent in these areas rapidly and in a planned manner. Thirdly, conduct various types of training courses and carry on rotational training step by step for cadres in

livestock administration at all levels, provide them with an overall systematic study of scientific knowledge pertaining to grasslands, livestock veterinary medicine and economic management of animal husbandry, and continually raise their scientific and technical level. Only in this way can we spur on work in China's livestock industry and enable production to develop by leaps and bounds.

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SPECIALIZED, SOCIALIZED AGRICULTURAL PRODUCTION EMPHASIZED

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/Text/ I. The Specialization and Socialization of Agricultural Production Are Inevitable Trends in the Development of Social Economy.

Self-sufficient agriculture is a backward stage of economic development. It is technically primitive, closed and economically isolated and ideologically conservative. As a result, it cannot provide the national economy with large quantities of low-cost agricultural products. Despite this, self-sufficient agriculture is still a common phenomenon at a certain stage in the history of the human society. It is related to the developmental level of the social productive forces at that stage and is determined by the low level of productive forces.

Although during a certain historical period self-sufficient agriculture has a solid economic, social and political base in the rural areas, its hindrance of the development of social productive forces renders inevitable its destruction by the commodity economy. In the history of human development, there comes a period when the development of commodity agriculture and the development of the commodity economy are closely related. Describing this development in Russia, Lenin wrote, "From the privileges of the upper level of the hierarchy and the heavy burdens of the lower level of the hierarchy, agriculture becomes common industry and commerce; the peasants' labor production begins to be socially calculated on the market; uniform conventional agriculture becomes a technically improved multiform commodity agriculture; the closed and dispersed nature of small peasant communities is shattered; and forms which depend on labor and personalities are elbowed out by impersonal contracts which buy and sell labor force." ("The Development of Russian Capitalism," p 254, PEOPLE'S PRESS, 1956 edition.) In a word, agricultural production is socialized and great impetus is given to the technical reformation of agriculture and the development of social labor productive forces.

The development of commodity agriculture illustrates the promotion of the socialization of agricultural production. The more production is socialized, the more specialization is needed. Only by centralizing and specializing

production can we provide the society with more and better products as well as absorb the various new technical results of other branches of society. Lenin said: "Specialization necessarily requires the specialization of various functions in the production process. It requires that scattered, isolated functions as well as those which overlap in the workshop during the production process become those which are socialized and concentrated in a new workshop and whose goal is to satisfy the entire society's needs." ("The Collected Works of Lenin," Vol 1 p 84.)

The commercialization of agriculture clearly results in the development of specialized production under capitalism. In America, specialized agricultural production is highly developed due to the thorough commercialization of agriculture. Specialized production is not only practiced in every branch, it is even practiced within the same branch according to its different purposes and types of products. Lately, there have been appearing many branches which divide their entire production process into various specialized production procedures and the production of specialized intermediate products. Why does the development of commercialized agriculture under capitalism necessarily promote the development of specialized production? This is because a capitalist can only beat another capitalist and swallow up his capital when he can sell his commodities at a lower price. Yet, to be able to sell things cheaply and still be able to make profits, he has to produce things at a lower cost. In other words, he has to increase the productivity of labor to its highest degree. This requires a more elaborate division of work, the improvement of the specialization level of production and a more comprehensive utilization and frequent improvement of machines. Furthermore, the large-scale use of machines requires that the level of specialization be increased still further. In this way, the costs are lowered and productivity is increased rapidly. As can be seen, competition among capitalists and the development of the commercialization of capitalism are also a process of expanding the division of labor, increasing the level of specialization, using machines more comprehensively and adopting new techniques.

Under socialism, the life and death struggle among capitalists does not exist in the development of commodity agriculture. However, the same objective law of decreasing the costs and increasing the productivity rate by raising the level of specialization and using improved techniques holds. Therefore, only when the specialization of production is more developed and new techniques are used more fully, can commodity agriculture provide us with more, better and cheaper agricultural products and satisfy the national economy and the people's needs.

The direction of the development of specialized agricultural production does not follow people's subjective desires. This has important technical, economic and political significance. Therefore, it is clearly pointed out in the "Decisions in Relation to the Problems Promoting the Development of Agriculture" passed by the 4 Plenary Session of the Chinese Communist Party's 11th Central Committee: "In order to carry out the modernization of agriculture, we must gradually put into practice regionalized and specialized production and increase the level of socialization of agricultural production. Certainly in order to promote the specialization of agriculture, we have to set out from the facts

and think carefully about our present conditions. Refusing to acknowledge this development's inexorability and opposing the specialization of production are mistaken views divorced from reality."

The low productivity of our society is mainly shown in its low level of industrial development (including that of the industries which use agricultural products as raw materials), with the unresolved problem of grain production and transportation facilities requiring improvement. These conditions not only hinder the development of a finer division of labor but also render difficult the realization of extensive contacts among different departments. Since the specialization of agriculture is determined by social productivity, we will not be able to change our current low social productivity immediately and make our agriculture highly specialized.

With many people and little land in our rural areas, highly-specialized production is very difficult for us. Because it involves the supply of large quantities of daily necessities, the improvement of socialized production generally makes the prices of many daily needs cheaper than those made at home. However, these developments will take time.

Our country has very diverse natural features, especially in the south where even within the very same county or commune it is not uncommon that there are mountains, plains, paddy fields and dry land. Specialization should adapt to local conditions. Starting from this principle, the complex nature of the land will naturally limit the enhancement of specialization. As it is, it is very difficult for us to have a general demand for high specialization. We should just start from the natural conditions and centralize appropriately.

Economically speaking, it requires a lot of investment to develop specialized production and modernized agriculture. Currently the funds our country or collective organizations and peasants have are very limited. The country does not have much to invest in agriculture. Therefore, we have to take our financial ability into account when developing specialized agricultural production.

II. Regional Specialization of Agricultural Production

Regionally specialized production is an important part of specialized agricultural production. Be it a country or a region, the specialization level of agricultural production is mainly manifested on its regional specialization. Therefore, in promoting the specialization and socialization level of agricultural production, we must pay close attention to the development of regional specialization. While developing regionally specialized agricultural production, a number of small-scale adjustments have to be made in the original production arrangement so that crops can be a little more centralized. On the other hand, large-scale centralization should be practiced in some key areas and commodity production bases should be set up. The acceleration of the construction of commodity production bases has a special significance to the gradual development of regionalized and specialized production.

Since our country and our industries have a very limited ability to invest in agriculture, it is most important to plan our investments and equipment. We

should place the limited funds and materials we have at some focal points so that the farmland's capital construction can be completed, the different links of agricultural machinery can act in close coordination, industry and agriculture can be united, production and scientific research can complement each other and finally there can be more economic benefits for the funds and equipment we invest.

(1) Construction of Commodity Grain Production Bases

Grain production is the foundation of agricultural economics. The grain production level determines, to a very high degree, the production level of other agricultural branches. Therefore, the establishment and development of commodity grain production bases and the improvement of the specialization and modernization levels of grain production have a very significant bearing on promoting the development of the specialization of agricultural production and on realizing the rationalization of the production and distribution of agricultural products.

Commodity grain production bases should not have too many networks. We should choose places where the commodity ratio is relatively higher, where it yields results faster and where it requires less investment. We should give first priority to places with good natural conditions, a strong economic base and a high production potential. Only in this way can we achieve better results in promoting commodity grain production. The Changjiang delta, Zhujiang delta, Dongtinghu area, Fanyanghu area, Hanjiang plain, Chuanxi plain, Hetao area, Hexi corridor, Guanzhong plain and Songliao plain and other areas are our important commodity grain production bases. The rise and fall of these bases is closely related to the development of forestry and animal husbandry according to local conditions in some other areas of the country and to the realization of the rational distribution of agricultural production. Generally speaking, these places have better natural features and a stronger economic foundation. They provide more commodity grain each year and still have some unexploited potential. Although the current low technical level will affect the economic benefits of further large investments, this does not mean that we can slacken the construction of commodity grain bases in these areas.

Guaranteeing that grain producers receive reasonable economic benefits is fundamental to the mobilization of the masses' enthusiasm in constructing good commodity grain production bases. If the producers cannot receive reasonable economic benefits, or even if they have to depend on "supporting grain production with sidelines production" and "supporting grain production with industry" policies, then the commodity grain production bases will be very difficult to consolidate and develop. Recently, increases in grain procurement prices reduced the price scissors between industrial and agricultural products. As a result, the development of grain production was markedly enhanced. However, in light of some typical information, the rational economic benefits for the grain producers are an issue which will need further solution when the construction of socialism is more developed.

(2) Construction of Industrial Crop Production Bases

Well-developed industrial crop production is a sign of a prosperous agricultural economy. With the development of socialist construction and the improvement in living standards, the construction of industrial crop production bases will necessarily become more and more important. Generally speaking, industrial crops require stricter natural conditions, are more dependent on industry and transportation and demand a higher technical level. Therefore, there are fewer choices when selecting networks for production bases. Among natural, economic and technical conditions, the natural conditions are especially important in selecting bases.

Integrating agriculture and industry and developing communications and transportation are essential parts of constructing various agricultural production bases, particularly bases for the production of industrial materials. The only way we can develop agriculture rapidly is to integrate agriculture with industry. This is also the only way people from the cities and rural areas can share wealth, and the differences between agriculture and industry and between cities and rural areas can be gradually reduced. Establishing industries, primarily the processing industries which use products from the rural areas, at industrial crop production centers will promote the reasonable use of agricultural and sideline products, reduce transportation costs and greatly promote the specialization of agriculture in these areas. It will also play an important role in increasing agricultural accumulation, improving the peasants' life and consolidating and developing production bases. We have to pay close attention to both agriculture and industry and make them act in close coordination when we are establishing industries. The development of specialized agriculture means great increases in the quantity of commodities in circulation. This will require the creation of appropriate communications and transportation conditions in order to combine industry with agriculture, production with supply and marketing and cities with rural areas. The better the communications and transportation conditions, the faster the development of industry and agriculture and the higher the agricultural specialization level. Practice proves that the formation and development of specialized agriculture are premised on the continuous strengthening of contacts between industry and agriculture and between cities and rural areas. The process of agricultural specialization is, in fact, the process of strengthening the integration of agriculture with industry and of rural areas with cities. It is also the continuous industrialization of agriculture.

(3) Construction of City and Suburban Foodstuff Production Bases

With the development of socialist construction, both cities and mining areas have become larger and larger and the people's living standards have risen higher and higher. The development of city and suburban agriculture objectively becomes more pressing. City and suburban agriculture covers places surrounding the cities and mining areas. It is chiefly agriculture which produces vegetables, dairy products, eggs, fresh meat, fresh fish and fruits. With a strong city and suburban agriculture, cities and mining areas will have their own strong and reliable foodstuff production and supply bases. Industry, commerce, transportation, science, education, culture, sanitation and agriculture will become

parts of a closely and rationally integrated geographical and economic system. Only when cities and mining areas establish their own production bases, and products are produced and supplied locally, can we avoid a lot of unreasonable transportation and conserve social labor, guarantee the quality of products and reduce losses to the minimum, practically guarantee the supply of foodstuffs in the cities and mining areas and satisfy the broad masses' daily necessities.

The only way to develop city and suburban agriculture is to practice agriculture in the same way as we run a factory. This is like creating an artificial "small world." We can control better the temperature, humidity and air according to what is needed in production and provide organisms with the best conditions for growth. We can guarantee year-round production and a steady supply to the cities. Since the production is carried out under artificial control, we can easily adopt various kinds of technical measures and raise rapidly the level of mechanization, electrification and scientific growing and planting, thereby increasing the productivity of agricultural labor in a short time.

III. Specialization of Agricultural Production

The specialization of agricultural production means the specialization of a certain stage or a certain link in the agricultural production. It is the specialization of agricultural production as manifested in production. The specialization of agricultural production generally can be divided into two categories: one specializes in producing intermediate products such as hatching chicks, supplying feeds and breeding and supplying seeds and the like; the other specializes in technical services such as agricultural machinery service, agricultural chemical and prevention services and the like. The formation of the specialization of agricultural production is closely related to the industrialization and development of agriculture. It plays a very significant role in the realization of the modernization of agriculture and the enhancement of the specialization and socialization level of agriculture. Generally speaking, the specialization of agricultural production can be developed extensively only in places where regional specialization has reached a certain point. This is why the various specialized professions mentioned above could be widely and rapidly developed in economically more developed countries the world over after World War II.

(1) Specialization of Seed Production

The development of the specialized production of seeds creates favorable conditions for growing, breeding and popularizing good varieties. This has had a very significant effect on the rapid development of agricultural production and the modernization of agriculture. The practice and experiments of many economically developed countries, including many Third World countries, have proved this completely.

The specialization of seed breeding is essential to the specialization of seed production. It requires special seed-breeding bases as well as special breeding centers. Without special seed bases, the supply of large quantities of good varieties cannot be guaranteed; without special breeding centers, the continuous improvement of good varieties cannot be guaranteed. Ordinarily, breeding centers

and breeding bases are built in different areas according to their specific needs. Due to the strict requirements of modernized seed production, seed-processing work gradually becomes a specialized profession. The specialization of seed processing is in fact a continuation and extension of the specialization of seed breeding. It includes selecting seeds, sterilization, roguing, packing, etc.

Seed companies are effective organizations in carrying out the specialization of seed production. They are very popular in economically developed countries. Some of them specialize in the supply of seeds; some, based on seed breeding and processing, specialize in coordinating the relationship among seed production, processing and sales; and some add to the former seed companies various kinds of breeding farm and breeding centers. In recent years, seed companies have been established one by one in many areas of our country. However, for the most part the allocation and supply of seeds are emphasized. Attention still needs to be paid to the selection, introduction, breeding and processing of good varieties. Ours is a socialist country. We should have better conditions to organize seed production in a planned and comprehensive way throughout the country and do this strategic job well.

(2) Production of Feed and Specialization of Processing

After World War II, the production of feed and the specialization of processing have been powerful progressive forces for the rapid development of animal husbandry in many countries. Especially true is the compound feed-processing industry, which was developed on a very large scale in many economically developed countries. Various kinds of amino acids and vitamins, trace elements, hormones, various kinds of antibiotics and preventive and therapeutic medicines were added to the feed. Also, because the needs of various livestock at different growth periods were different, so were the prescriptions. Obviously, the appearance and mass production of scientific compound feed are made possible only in a situation of high specialization. Recently, the feed-processing industry has made progress in our country. The adjacent areas of some big cities and some places have even established some relatively modern processing factories and have begun to supply compound feed to the surrounding areas. This has had an important effect on the development of animal husbandry, especially the development of a modernized fodder industry. Due to our limited funds, poor transportation facilities and the inefficient supply of materials, plus the "problems of confusion" and greatly dispersed consuming households, the policy which combines big, medium and small feed-processing systems has been adopted, with a concentration on the medium and small ones. In other words, we advocate that people at the basic level raise money to build small feed-processing factories while big and medium factories concentrate on the production of various kinds of additives or compound feeds and serve the basic processing factories.

(3) Specialization of Agricultural Machinery Services

With the development of the mechanization of agriculture, the number of agricultural machines owned either by large-scale or by small-scale management agriculture has constantly increased. In small-scale management agriculture,

the utilization ratio of machinery is very low due to the small scale of management. As a result, a lot of funds lie idle, especially for large machines. To solve the conflicts between large-scale machine production and small-scale agricultural management, joint agricultural and machinery management is adopted in many places with specialized utilization and administration. In large-scale agriculture, the machine utilization ratio is very high because of the large scale of management. Generally, people own and use their own machines. With units which are not highly mechanized, machinery teams which take care of machinery operations and machinery administration have been set up to help with the use of machines. Lately, increases in the new machine equipment have made some countries, even in places with relatively large-scale management, start to organize trans-unit mechanization and electrification-integrated companies. These companies carry out specialized machinery service for shareholding units. As a result, the utilization ratio of machine equipment has been greatly improved and the operation costs reduced.

One of the very important features of the specialization of agricultural machinery service is manifested in links such as manufacturing, supply and marketing and maintenance. Some examples of foreign machinery companies deserve our attention. These companies not only have gigantic agricultural machine manufacturing factories but also have very well-equipped research and development centers as well as supply and marketing and maintenance networks. When designing a new model of agricultural machine, they pay a lot of attention to whether the supply will suit the demand or not. They also pay a lot of attention to the quality of the new products by carrying out in advance careful research and repeated experiments on the various functions and quality of the machine. Once the new products are sold, representative consumers are selected for investigation and analysis. If a breakdown happens to the machine during the guaranteed time, generally the company supplies new parts and pays for the repairs. Foreign agricultural machinery companies usually set up their supply and marketing network the production units. The supply and marketing stores not only take of the supply of machines and parts but are also responsible for repairs. They even send out people to serve in the field.

(4) Specialization of Agricultural Chemicals Service

The chief links of the agricultural chemical service include production, supply, marketing and operations and the like. Some agricultural chemical service is further specialized and divides the chemicals into three different kinds: pesticides, germicides and herbicides according to their function.

Recently, people are demanding more and more of agricultural chemicals production. As a side effect of the search for low toxicity, high efficiency and nonpolluting chemicals, the ratio of chemicals chosen from among those investigated becomes lower and lower while the time and cost spent investigating new chemicals become higher and higher. Therefore, it is necessary for agricultural chemical companies to establish some good research and development organizations. Lately, more and more attention is being paid to biological prevention while the search for new low-toxicity and high-efficiency chemicals goes on. This makes the study of the restraints on the insect and bacteria population an ever more important subject.

The fact that agricultural chemicals have a very critical selection standard and a very strict time limit, use different tools and methods and are responsible for the users' safety and the prevention of environmental pollution makes it necessary that there be strict requirements on the supply and application of agricultural chemicals. Since the occurrence of plant diseases and insect pests is usually regional, agricultural chemical companies can start renting chemical-applying tools and can start spraying according to the needs of different regions at different times. Some companies can even sign contracts with peasants and are responsible for the disease and pest forecasts, preventive measures, pollution prevention, etc. When a job is not done well and affects the production, the responsible company should make up the loss according to the circumstances.

With the practice of "double contracts," some specialized plant protection and poultry and livestock prevention-and-cure service companies appear in many places of our country. Some of these companies even practice the joint-fund economic responsibility system. The separation of plant protection and veterinary work from dispersed management peasant households is an important step in our country's transition to specialized and socialized agricultural production. As has been shown, this plays an important role in preventing plant diseases and insect pests, in reducing production costs, in strengthening the management of agricultural chemicals and in guaranteeing the people's and the livestock's safety.

IV. Specialization of the Management of Production Units

Regional specialization and the specialization of production also mean the development of production units from the "big and complete" and the "small and complete" stage to specialized management. When production units are still basically at the self-sufficient stage and have everything available, the agriculture is by no means specialized. When the production units concentrate on one or two major commodity crops (or livestock) and practice a diversified economy, a regionally-specialized agriculture is basically formed. When the production units are further specialized and even become unitary farms, even though in the same area there may be some units managing this and others managing that while being dependent on each other by exchanging products among themselves, it is still quite obvious that the level of regional specialization and the specialization of the production process have greatly improved.

There are large-scale as well as small-scale managing units. Large farms, cooperative farms, collective farms, agricultural production cooperatives and the like are large-scale managing units while family farms, dispersed peasant households, etc. are small-scale ones. Large-scale managing units are more convenient for the use of new technology and conserve greater production costs and management fees and therefore have better conditions for the realization of a higher labor productivity ratio and lower unit production costs. Small-scale managing units have their own advantages as well. With their small scale, they are easy to manage and have more flexibility and therefore it is easier to arouse the production managers' enthusiasm and promote meticulous management. In fact, small-scale production units, by carrying out the specialization of management, mean the actual extension of their production

and management scale, and thereby to a certain extent actually enjoy some of the advantages of large-scale units. If we add to this the support it receives from all kinds of service companies which provide specialized technical services and all kinds of specialized intermediate products (such as improved varieties of seeds, chicks, feed, etc.), then it will still be able to show great vitality while improving the labor productivity ratio and reducing production costs. From the agricultural management experiences of countries throughout the world we can see that bigger is not better. In the United States of America right down to this day, the family farm is still the principal unit of production. In Western Europe the situation is basically the same. Of course, the area of American family farm is larger than that of our agricultural households, but even more important is that they have socialized their preproduction and postproduction and even their services and that they support various kinds of companies during the production process. The entire production process is highly specialized, and the level of socialization is very high.

Now very many specialized industries have appeared in our country's numerous villages. This is a new trend worth watching. It is of great significance for the transformation of our country's agriculture from self-sufficiency or semiself-sufficiency toward specialization and socialization.

Along with the further increase in the degree of specialization of the specialized households as well as the steady increase in the proportion of all agricultural households they make, we will see more and more clearly all sorts of trends in the division of labor in agriculture and the strengthening of all sorts of ties in the economy and see the bright vistas of Chinese-style agriculture's specialization and socialization. Concrete examples are:

First, along with the development of specialized households in raising pigs, raising chickens, raising cattle, raising fish, cultivating fruit trees and processing, many of the previous "sideline occupations" of our country's villages have gradually separated themselves from agriculture and have become well-developed, independent occupations.

Second, along with the development of every sort of specialized household described above, the planting occupation such as grain production, etc. has become more and more commercialized and specialized. The appearance of households specializing in grain production in every area is evidence of this.

Third, the development of all kinds of specialized households not only has promoted the specialization and development of the entire production sector but has also greatly propelled forward the development of the division of labor within the production sector. For example, with the pig-raising industry, some households specialize in raising sows, others in raising hogs, while still others raise fat pigs, etc.

Fourth, along with the development of specialized households, some related socialized technical service organizations such as plant protection companies, veterinary companies and agricultural equipment production and servicing companies are appearing one after another.

Fifth, promoted by some technical service organizations and relevant processing industries, different areas can, according to their comparative advantages, gradually increase their levels of regionalization and specialization. The appearance in some areas of rabbit-raising villages and cattle-raising villages is proof of this.

The development of the specialized households will unavoidably require the realization of all sorts of economic integration. At present, this sort of requirement is most pronounced in the area of supply and marketing. Since the relatively rapid development of commodity production, the peasants' difficulties in buying and selling became more pronounced. Besides, the dispersed purchasing and selling are disadvantageous to specialized households. It is not only hard for them to open up a business, but the expenditure is very high. Of course, economic integration takes many forms. Some are relatively close while others are relatively loose. Some are comprehensive; others are limited. Judging from the present situation, these sorts of integration should be mostly limited and loose in order to satisfy the requirements of economic integration quickly and bring into full play the enthusiasm of countless households for commodity production.

V. Integration of Agriculture, Industry and Commerce into an Organic Whole

The integration of agriculture, industry and commerce into an organic whole is the necessary result of specialization in the regions and in production. At the same time it is an important precondition for the even better development of specialization.

Division of labor and cooperation are inseparable. When there is a division of labor, there must be cooperation. The more the division of labor is developed, the more the various departments, professions and enterprises will depend on each other. With the development of the division of labor in society, the relation of interdependence amongst agriculture, industry and commerce is expressed by, first, the every-larger degree to which agriculture is restricted by industry. For example, the manufacturer, maintenance and repair or production materials before production, the quality and efficiency of the production process as well as the processing of the products after production and the like are more and more determined by industry. Second, the effects on the agricultural implement production industry, the food industry and the light textile industry of agriculture are becoming clearer. Third, the role that commerce plays in the ties among departments, industries and enterprises are becoming more and more pronounced. Clearly, this is caused by the steady strengthening of the ties between industry and agriculture.

The specialization of agricultural production and the close ties among agriculture, industry and commerce it requires are possibly initially expressed in an indirect manner. Peasants sell products to the managers of commercial enterprise, and the managers of commercial enterprises collect the agricultural products and sell them to processing plants. But later this style is felt to be less and less adequate: first, the indirect ties among agriculture, industry and commerce are not sufficiently reliable in guaranteeing the quantity, quality, standards and timeliness, etc. of the products delivered. The further

development of the economy is founded on the requirement of strong and dependable ties among agriculture, industry and commerce. If this condition is not fulfilled, the reproduction process will not be smoothly carried out. Second, indirect connections through many links make the circulation of goods slow-moving and expensive. Therefore, no matter if we set out from the standpoint of the benefits of the manager of an enterprise or from that of the entire society, a gradual change from indirect ties to direct ties is becoming necessary. Third, this is a disadvantageous use of natural and economic resources. Agricultural managers (especially agricultural households) have limited funds and a low technical level and frequently prefer short-term advantages. If they can carry out the integration of agriculture, industry and commerce into an organic whole, and establish a certain type of integrated enterprise (even a loose type), the management of agricultural enterprises can be greatly strengthened. Fourth, indirect ties hinder the employment of surplus labor in the villages. Direct ties are more beneficial in handling this problem. Therefore, ever since the end of World War II the integration of agriculture, industry and commerce into an organic whole has been a common development. In the United States of America, relatively early integrated complexes relating to preproduction, production and postproduction were created. France a little later created cooperatives which managed preproduction service businesses and postproduction processing and sales businesses. Before the 1960's, in the Soviet Union, there was some development in cross-unit cooperation and in the combined management of agricultural production and product processing. Since the 1960's there has been even more rapid progress.

Agricultural production in our country, as in foreign countries, must move along the road of specialization and socialization. Integrating agriculture, industry and commerce into an organic whole is also unavoidable. But we do not now possess the same conditions for specialized development as the developed countries do. Therefore, for the country as a whole, the time for immediately and widely carrying out the integration of agriculture, industry and commerce into an organic whole is not yet ripe. That is to say, as long as the proportion of agriculture that is self-sufficient or semiself-sufficient is still very large and the degree of specialization is relatively low, using indirect forms to tie agriculture, industry and commerce together can still be an up-to-date response to objective demands.

In conclusion, with regard to a few areas where agricultural products are concentrated, to the suburbs of large cities and to the appropriate state farms, on the principle of voluntarism and mutual benefits, according to the requirements of objective regulations and fully using all sorts of economic measures, we should enthusiastically operate experimental agricultural-industrial-commercial integrated complexes and gradually carry out the integration of agriculture, industry and commerce into one organic whole. In areas of average agricultural production, the principal point is the rational adjustment of the distribution of agricultural production to harness better each region's natural and economic comparative advantages, develop a diversified economy and all kinds of agricultural product-processing industries and enthusiastically create the conditions for carrying out still further the specialization of agriculture, commercialization and agricultural industrialization.

1983 PRC RURAL AREA INCOME DISTRIBUTION REPORTED

Beijing NONGCUN CAIWU KUAIJI [RURAL FINANCIAL AFFAIRS] in Chinese No 8, Aug 83 pp 3-6

[Article by the Distribution Statistics Office, Commune and Brigade Enterprise Management Bureau, Ministry of Agriculture, Animal Husbandry and Fishery: "The Situation in Distribution of Economic Benefits in Rural Areas in 1983"]

[Text] In 1983, the rural areas of all the country conscientiously adhered to the spirit of Central Committee Document No 1, and further developed an excellent situation in rural areas. There has been a thorough implementation of the system of contracting for output quotas on the basis of household administration, and there has also been intensive development of forestry, animal husbandry, sideline production, fisheries and all lines of endeavor. This has given play to the superiority of the collective economy and to the initiative of household administration. The broad masses of peasants have actively developed and utilized all types of natural resources, adopted advanced agricultural S&T, striven to improve administrative and managerial levels, and developed commodity production. A bumper agricultural harvest was gained during a year of major disasters.

I. The Highest Gross Income in History

Gross income in the rural economy (including unified administration under collectives, contractual administration, the combination of the two types of households and private commune member income) reached 271.27 billion yuan, an increase of 15.3 percent over 1982. The proportion of gross income coming from each branch of production was: agriculture, 62 percent; forestry, 1.8 percent; animal husbandry, 12.6 percent; sideline production, 17.7 percent; and fisheries, 1.1 percent. Income allocated from commune and brigade enterprises comprised 0.6 percent, and other income totalled 4.2 percent.

Specialized (Key) households have developed very rapidly in rural areas in recent years. They are taking the lead in working hard to become better off, in developing commodity production, and in improving production techniques, with high economic results. Statistics for 8.51 million specialized households show that their gross economic income in 1983 was 20.19 billion yuan, equal to

7.4 percent of gross income in the rural economy. Average income per household was 2,372 yuan, much higher than the national average level.

Commune and brigade enterprises have continued to develop rapidly during the readjustment. Their gross income in 1983 totalled 92.87 billion yuan, a 20.3 percent increase over the 1982 figure of 77.18 billion yuan. The number of counties with gross income from commune and brigade enterprises exceeding 100 million yuan increased from 168 in 1982 to 209. Five of these counties had gross incomes from commune and brigade enterprises exceeding 500 million yuan, and Wuxi County in Jiangsu Province reached 1.28 billion yuan, still the highest in the country.

II. Improvement in the Economic Results of Agricultural Production

Along with the all-round implementation and further improvement of systems of contractual responsibility for output quotas, the broad masses of peasants on the one hand have actively applied agricultural techniques, practiced intensive administration and increased productive investments, and on the other hand, they have sought ways to increase output and cut expenses in the production process, reduced losses and waste, and improved the results of investments. Expenses as a proportion of gross income fell from 25.6 percent in 1982 to 25 percent. Net income from each 100 yuan of investments reached 300.6 yuan, an increase of 10.7 yuan or 3.7 percent over 1982.

III. Agricultural Production Is Advancing with Stability in the Direction of Increasing the Percentage of Marketable Products

The universal implementation of production responsibility systems in agriculture has liberated the forces of production and developed commodity production, and increased the percentage of marketable products for agricultural goods. This reflects an excellent trend in the rural areas of China in moving from a self-sufficient and semi-self-sufficient economy to large scale commodity production. The areas with a large proportion of gross income coming from sales include Shanghai, 53.4 percent; Liaoning, 50 percent; Jilin, 49.6 percent; and Guangdong, 47 percent. In terms of agricultural products, the areas with fairly rapid increases in the percentage of marketable products in grain included the three provinces of Liaoning, Jilin and Heilongjiang, with an income from sales of 11.45 billion yuan in 1982, a 66 percent increase over the 1982 figure of 4.59 billion yuan. Income from sales as a proportion of gross income increased from 36 percent in 1982 to 45 percent in 1983, an increase of 9 percentage points. Commodity production has also developed in regions that historically have had low production levels. In Gansu Province, income from sales as a proportion of gross income increased from 23.1 percent in 1982 to 28.6 percent, an increase of 5.5 percent.

IV. Greater and Greater Contributions to the State

Along with the development of agricultural production, the peasants' contributions to the state have continued to grow. They paid 5.12 billion yuan in taxes to the state in 1983, an increase of 730 million yuan or 16.7

percent over 1982. Specialized households paid 370 million yuan of this amount, equal to 7.2 percent of the total. Commune and brigade enterprises paid 5.89 billion yuan, an increase of 31.8 percent over 1982. Taxes paid by the peasants and by commune and brigade enterprises totalled 11.01 billion yuan, an increase of 24.8 percent over 1982. There has been a substantial increase in the amount of commodity grain sold to the state, and some counties have even sold more than 500 million jin of commodity grain. According to statistics from the Annual Report-Back Conference on the Distribution of Economic Benefits in Rural Areas, there were 21 counties that sold more than 500 million jin of grain to the state in 1983, 12 more than in the previous year. Among them, Dehui County sold 1 billion jin, Yushu County sold 1.2 billion jin, Lishu County [all three in Jilin Province] sold 1.65 billion jin, and Changtu County [Liaoning Province] sold 1.81 billion jin. Huai County in Jilin Province provided the most commodity grain at 2.09 billion jin.

V. A Decrease in Collective Withholdings, an Increase in Commune Members' Capital for Expanded Reproduction

Collective withholdings in 1983 totalled 8.36 billion yuan, a decrease of 1.37 billion yuan or 14.1 percent over 1982. Of this amount, 4.39 billion yuan was for accumulation funds, a decrease of 10.1 percent; public welfare funds totalled 2.77 billion yuan, an increase of 28.1 percent. The main reason for the decline in collective withholdings is that, after widespread implementation of production responsibility systems in agriculture based on household administration, part of the draft animals, farm tools and other means of production that were originally added by the collective were turned over to peasant family ownership for the peasants to use and add to themselves. According to statistics, 6.79 billion yuan from the current year's income was used by peasant families to purchase and manufacture fixed assets. This amount was 2.4 billion yuan or 54.7 percent greater than collective withholdings for accumulation funds. This shows that reforms in the rural economy have led to corresponding changes in the ownership structure of agricultural means of production.

VI. Peasant Net Incomes Continue To Increase Substantially

The development of production has continually increased peasant income and further improved living conditions. Some peasants, especially those specialized households who are leading the way in developing commodity production, have already become wealthy and comparatively well-off.

The average peasant per capita income in 1983 exceeded 300 yuan in eight provinces and directly administered municipalities: Beijing, Shanghai, Jilin, Shandong, Liaoning, Tianjin, Guangdong and Jiangsu. The number of counties with an average peasant per capita income greater than 300 yuan increased from 360 in 1982 to 683. Of these, 66 counties had a average per capita net income greater than 500 yuan. Areas with fairly high income levels include Shunda County in Guangdong Province, with a per capita net income level of 808.4 yuan; the suburbs of Foshan City [Guangdong Province],

with an average of 892 yuan, and the Ergun Right Banner in the Inner Mongolia Autonomous Region, at 964 yuan, a comfortable level.

All areas show an obvious increase in the number of "cream of the crop household" that are working hard to become better off. According to preliminary statistics for seven prefectures in Jilin Province, 126,000 peasant households had net incomes in excess of 1,000 yuan in 1983, equal to 4.2 percent of the total number of peasant families in the province. In Hunan Province's Tuanzhou Commune in Huarong County, the number of families with net incomes exceeding 10,000 yuan increased from 32 in 1982 to more than 100. Most of these cream of the crop households are specialized households, and are good at administration, have a high percentage of marketable products, large economic benefits and greater incomes. Increased economic incomes have led to new changes in the peasants' lives. A new situation has appeared in many areas where people "want nutritious food to eat, top-shelf articles to use, beautiful clothes to wear, and spacious houses to live in."

Work on distribution of economic benefits in rural areas was carried out at many levels and with many economic components in 1983. In order to do good work for the distribution of economic benefits under these new conditions, party committees and agriculture departments at all levels have collected statistical data from all areas, correctly handled the relationship between the state, collectives and individuals, and carried out a large amount of survey and analysis work. According to statistics from 16 provinces, municipalities and autonomous regions, 120,000 rural economists, accountants and statistical personnel have been organized and trained for counties, communes and brigades. There are a total of 10.023 million survey households, "agricultural economics households" and other model households set up for mechanical sampling throughout the country, equal to 6 percent of all peasant households participating in the distribution.

Excellent successes have been achieved in work for distribution of economic benefits in rural areas throughout the country in 1983, but they also reflect some problems that require further research and solution. This mainly includes some communes and brigades where contracts have not been fulfilled and where the grain and funds that contracting households should turn over to the collective have not been turned over in the amounts stipulated in the contracts. This has affected cadre remunerations and preferential treatment for families of revolutionary martyrs and the "five guarantees" households. Also, there are some peasants in the country whose needs for shelter and food have not been completely met.

List of Counties (Banners, Cities and Districts) Where Per Capita Net Incomes Exceeded 500 Yuan:

| <u>Region</u> | <u>Income (yuan)</u> |
|-------------------------------|----------------------|
| Beijing Municipality: | |
| Yanqing County | 506.1 |
| Shijingshan District | 522.2 |
| Fangshan County | 524.6 |
| Chaoyang District | 525.7 |
| Fengtai District | 595.2 |
| Shunyi County | 613.5 |
| Changping County | 650.9 |
| Haidian District | 678.3 |
| Hebei Province: | |
| Huolu County | 517 |
| Shijiazhuang City suburbs | 556 |
| Shanxi Province: | |
| Datong City southern suburbs | 547.4 |
| Youyun County | 641.8 |
| Nei Mongol Autonomous Region: | |
| Xilin Hohot City | 500 |
| Hailar City | 538 |
| Abag Banner | 553 |
| Xin Barag Right Banner | 608 |
| Dong Ujimqin Banner | 647 |
| Xin Barag Left Banner | 688 |
| Ergun Right Banner | 964 |
| Liaoning Province: | |
| Faku County | 501.5 |
| Tieling County | 524.6 |
| Xinchengzi District | 524.9 |
| Dongling District | 538.4 |
| Jinxian County | 583.9 |
| Yuhong District | 625.9 |
| Ganjingzi District | 639.9 |
| Changhai County | 641.6 |
| Sujiachun District | 647.8 |
| Jilin Province: | |
| Yitong County | 505 |
| Changling County | 507 |
| Shuangyang County | 530 |
| Lishu County | 569 |
| Tiedong District | 578 |
| Tiexi District | 608 |
| Huaide County | 610 |

| | |
|-------------------------------|-------|
| Heilongjiang Province: | |
| Xunke County | 640.8 |
| Shanghai Municipality: | |
| Jiading County | 530.6 |
| Baoshan County | 598.2 |
| Jiangsu Province: | |
| Suzhou City suburbs | 509 |
| Shandong Province: | |
| Changyi County | 502 |
| Haiyang County | 509 |
| Lingxian County | 510.7 |
| Weifang City | 513 |
| Muping County | 520 |
| Rushan County | 522 |
| Qingdao City Cangkou District | 527 |
| Rongcheng County | 528 |
| Laiyang County | 534 |
| Pingyuan County | 542 |
| Wendeng County | 558 |
| Qingdao City southern suburbs | 566 |
| Weihai City | 567 |
| Penglai County | 589 |
| Changdao County | 617 |
| Dezhou City | 635 |
| Qingdao City Sifang District | 677 |
| Guangdong Province: | |
| Sanshui County | 507.3 |
| Guangzhou City suburbs | 532 |
| Jiangmen City suburbs | 544.7 |
| Dongguan County | 585.9 |
| Zhuhai City | 599 |
| Zhongshan City | 629.7 |
| Nanhai County | 760 |
| Shunde County | 808.4 |
| Foshan City suburbs | 892 |
| Qinghai Province: | |
| Madoi County | 545.1 |

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INTENSIVE PROCESSING OF AGRICULTURAL PRODUCTS URGED

Beijing RENMIN RIBAO in Chinese 13 Jul 84 p 5

[Article by Liu Haitong [0491 3189 6639]: "Make Great Efforts to Develop Intensive Processing of Agricultural and Animal Products"]

[Text] Great efforts to develop intensive processing of agricultural and animal products are of major importance in such areas as improving economic results, developing township and town industry, and increasing peasant incomes.

Agriculture is a branch of material production which directly and indirectly accumulates, converts and utilizes solar energy through biological means. Apart from a portion of products that can be consumed directly, most agricultural products must be processed before they can be utilized by man. More and more uses for these agricultural and animal products are possible through reprocessing. This improves quality, increases their value, and permits them to be more easily and fully absorbed and used by people. Extremely broad prospects in this area are made possible for us by the development of modern science and technology. We only must make use of the relevant science and technology in a planned manner, with township and town industry as the primary base area, to greatly develop various types of processing industries for agricultural and animal products through the gradual achievement of fully comprehensive utilization of farm and sideline products. This will lead to obvious improvements in macroeconomic benefits and increase the wealth of society.

The portions (or components) of agricultural and animal products that originally were considered unuseable or had a low utilization rate can be converted through intensive processing into products that are useable or have a high utilization rate. In aquacultural products, for example, black scrapers ([a stripped skin fish?]) originally have a relatively low food value. After processing, the edible portion (the two sides of the fish backbone) can be made into fresh fillet for export; the skin can be used to make isinglass; cod liver oil can be made from the liver; the remaining skull, back spines, dorsal fins, in combination with the dregs and waste scraps remaining after the above three processes, can also be processed entirely into fish meal. This type of intensive processing can greatly increase the utilization rate of black scrapers. By successfully "turning waste into treasure", their economic value can be nearly tripled. Another example is the large amount of sugarcane grown in

southern China each year. Large amounts of bagasse are left over after pressing the cane. Previously, it was not burned and composted, but served as a rough feed. A ton of bagasse (dry material) has a value of 40 yuan. If it is put through hydrolysis and chemically processed, 50 kg of xylitol and 160 kg of artificial fiber with a value of more than 1,000 yuan can be derived.

What deserves special attention is that the food products industry can be integrated with the feed industry through the processing of agricultural and animal products. This will transform the structure of feed production and open up new and important sources of feeds.

In the comprehensive processing and utilization of animal products, apart from the well-known cooked meat products, canned products, salted and dried products, furs, hides, casings and other items, many of the other parts that have been wastes, internal organs, offal, heads, hooves, bones, and blood can all be processed into protein feeds and biochemical products such as blood meal, fermented blood meal, bone meal, meat-bone meal, and other feed additives. Of these, the protein content of the blood meal, fermented blood meal and meat-bone meal is equal to or nearly equal to the protein content of fish meal. This type of processing and utilization is of very great significance, whether in farming or in pastoral regions.

China loses several hundred million jin of fruits and vegetables to spoilage every year because of inadequate post-production processing services. If comprehensive processing can be gradually developed, losses can not only be avoided or reduced, thereby increasing the number of products and creating even greater value, but new routes for feed processing can also be opened up. The new technologies for comprehensive utilization of substandard apples in Wendeng County, Shandong Province are an excellent example. Their experience proves that canned fruits, fruit liquors, candied fruits, jams, fruit juices (and syrups), powdered fruit, and other products can be produced by the comprehensive processing of fruits. The leftover pits, pulp, peels and scraps can be processed into feeds, adding a new source of material for the production of mixed feeds.

Intensive processing of agricultural and animal products can also develop in the direction of directly providing edible proteins and other nutritional components for people.

We know that the development of animal husbandry to obtain (produce) additional meat, eggs and milk requires the consumption (investment) of a corresponding amount of feed. The average conversion rate (the ratio of the biological energy in the animal products to the biological energy in the feed) of the biological energy in these feeds by livestock, poultry and fish is only about 10 percent. That is to say, when we invest 100 percent of the energy needed for feeding the animals, only 10 percent is converted into the meat, eggs and milk that we require. If we continually adopt scientific feeding methods, improve feed mixtures and increase payments for feed in order to more effectively increase the various types of animal products in combination with the adoption of advanced technologies and make the greatest effort to extract the various proteins, fats and sugars (including the medicinal parts) contained

in crops and wild plants that are needed by the human body, and directly provide them for human consumption and utilization, then in a certain sense this is equivalent to shrinking the reproduction process of these organic materials, and it greatly increases the utilization rate of these organic materials by humans. In this question, many experts at home and abroad have not only provided foresighted proof in theoretical terms, but they also have continually achieved progress in scientific research and production in practice. For example, the Zhengzhou Food College utilized a sprayer dessication method with water as a solvent to make protein meal from peanuts, and the Wuxi College of Light Industry utilized a mixed solvent low temperature one-time extraction method to make protein meal from cotton seed. This offers us excellent prospects in the extraction of protein from plants for direct human consumption.

Industrial production in the processing of agricultural and animal products also can further organically integrate such lines of activity as biochemistry, medicines, construction, packaging, light industry and textiles, chemical fiber, paper making and energy. Practice has proven that new lines of endeavor can be formed through a chain reaction that promotes the development of technologies for new products and expands sources of production by organically integrating the related processing programs. There is a chemical plant in a foreign country, for example, that can extract 238 kg of crystalline xylitol, 86 kg of furfural, 81 kg of feed yeast, 200 kg of activated carbon, and 300 kg of solid fuel from a ton of corncobs, and moreover can further process the xylitol into chocolate candy. The result is that the total value of the new products is 400 times greater than the original value, and moreover, that a new organic chemical production system is formed. In addition, there is information that shows that more than 1,200 types of products can be derived from the stems to the seeds of cotton (more than 100 types can be processed and produced using current technologies at home and abroad). More than 90 types of products can be obtained from corn through comprehensive processing and production. Even more familiar is the use of crop straw to produce fiberboard, shaving [particle?] board, rice straw (and husk) board, paper pulp, imitation leather, packaging materials, insulating materials, artistic goods, woven goods, and so on. All of these types of processing touch upon many different lines of activity. By merely selecting a suitable processing program and making some breakthroughs, a single line of production can be tied in with other processing activities and new lines of production can be established. In its "Decision on Certain Questions Concerning Accelerating the Development of Agriculture", the CPC Central Committee pointed out: "all agricultural and sideline products that conform to principles of economic rationality and that are suitable for processing in rural areas should gradually be processed in commune and brigade enterprises." Through consolidation and transformation, many commune and brigade enterprises (township and town enterprises) can establish a top-to-bottom production system centered on the processing of agricultural and animal products.

12539

CSO: 4007/199

CHANGES IN PEASANTS' EXPENDITURE STRUCTURE EXAMINED

Beijing TONGJI [STATISTICS] in Chinese No 6, 17 Jun 84 pp 12-13

[Article by the Agricultural Statistics Department of the State Statistics Bureau: "New Changes in the Structure of Peasant Consumption Expenditures"]

[Text] Since the 3rd Plenary Session of the 11th CPC Congress, there have been yearly improvements in the peasants lives following the development of production and increases in income. Based on a sample survey of 30,427 rural households in 600 counties in 28 provinces, autonomous regions (less Xizang) and directly-administered municipalities, there have been sustained increases in peasant consumption expenditures on the basis of a relatively large increase in net peasant incomes in 1983, and the level of consumption also has risen. New changes have occurred in consumption structures.

I. Productive Consumption Has Increased Rapidly, the Proportion of Investments in Expanded Reproduction Has Risen

In the past, agricultural production was primarily under unified administration by the collective. Peasant families ran only a few household sidelines, and these were subject to many restrictions. Productive expenditures were very small as a result. After implementation of the system of contractual responsibility for output quotas by households, peasant families changed from the simple living consumption unit of the past to combined living consumption and production administration units. The peasants' net incomes are used not only for living expenses, but also for production expenses. In 1983, the peasants' enthusiasm for production has risen as a result of the further perfection and stabilization of the party's rural economic policies, and they are willingly laying out capital to develop production. Productive expenditures have increased rapidly, at a rate of increase that is faster than that of living expenditures. Expenditures for production consumption accounted for 58.48 yuan of average peasant per capita gross expenditures in 1983, a 23.7 percent increase over 1982. Expenditures on living consumption were 248.29 yuan, an increase of 12.7 percent over the previous year. The

rate of increase of the former was 11 percent faster than that of the latter.

In productive consumption expenditures, 40.04 yuan was used for household sideline production, a 12.5 percent increase over 1982. Moreover, production expenditures used for contractual management were 40.24 yuan, a 63.51 percent increase over the previous year. Expenditures used for the purchase of productive fixed assets amounted to 18.44 yuan, a 57.7 percent increase over 1982. The proportion of peasant per capita income that was spent on productive fixed assets increased from 4.3 percent in 1982 to 6 percent in 1983. Peasant families are gaining ever-growing amounts of productive fixed assets as a result of the increased proportion of income that is invested. According to statistics, there was an average of 5 trucks, 12 large tractors, 104 small and walking tractors, 111 large rubber-wheeled carts, 101 pieces of agricultural drainage and irrigation power machinery, and 75 farm pumps per 10,000 peasant families at the end of 1983. There was an average of 50.8 draft animals per 100 peasant families at the end of the same year.

New changes have occurred in the structure of consumption as the result of rapidly increasing expenditures for productive consumption. Average peasant per capita expenditures for productive consumption as a proportion of total expenditures were 12.5 percent in 1978, 22.8 percent in 1982, and rose to 25.9 percent in 1983. The respective proportions for living consumption were 85.5 percent, 69.7 percent and dropped to 65.3 percent.

II. An Overall Increase in Living Consumption Expenditures, New Changes in the Structure of Consumption

Along with the rapid increase in productive investments, there has been a sustained increase in peasant living consumption expenditures, and consumption levels have risen. Average peasant per capita living consumption expenditures were 248.29 yuan in 1983, a 12.7 percent increase over 1982, and 1.1 times greater than in 1978. The average increase from 1978 to 1983 was 26.45 yuan per year, a 16.4 percent annual rate of increase.

Expenditures for living consumption goods made up 242.81 yuan of total living consumption expenditures, a 12.8 percent increase over 1982. Expenditures for cultural living services were 5.48 yuan, an increase of 11.2 percent. Peasant living consumption expenditures in 1983 had the following primary characteristics:

1. There has been an overall increase in all items of expenditure for living consumption goods, with a faster rate of increase in expenditures on housing and household articles than in expenditures on food and clothing. Average per capital expenditures had the following structure and rates of increase over 1982: Food: 147.24 yuan, an increase of 10.5 percent; Clothing: 27.65 yuan,

an increase of 11.6 percent; Fuel: 13.47 yuan, an increase of 4.5 percent; Housing: 27.56 yuan, an increase of 22.1 percent; Household goods: 26.89 percent, an increase of 20.1 percent.

2. The rate of increase in expenditures on cultural living services has accelerated. Along with improvements in material living standards, the peasants have begun to be concerned with spiritual life. Average per capita expenditures on cultural living services were 5.48 yuan in 1983, a 11.2 percent increase over 1982. Although this is lower than the rate of increase in expenditures on living consumption goods, it was higher than the 6.3 rate of increase in 1982.

3. There have been new changes in the structure of living consumption expenditures following expansion of the scale of consumption. Housing consumption as a proportion of total living consumption expenditures rose from 10.3 percent in 1982 to 11.1 percent in 1983. The proportion that was used for household goods consumption increased from 10.2 percent to 10.8 percent. Clothing consumption was 11.2 percent, the same as in the previous year. Food consumption fell from 60.5 percent to 59.3 percent. Fuel consumption fell from 5.6 percent to 5.4 percent.

4. Expenditures on food have declined as a proportion of net income, and there has been an increase in consumption levels of non-staple foodstuffs. Average per capita peasant expenditures on food were 147.24 yuan in 1983, an increase of 68.65 yuan over 1978, and an average annual rate of increase of 13.4 percent. Expenditures for consumption of primary foodstuffs accounted for 75.04 yuan of expenditures on food, an increase of 46.22 percent over 1978. Over the same period, consumption expenditures in non-staple foods and other areas amounted to 72.2 yuan, a 1.6 times increase over 1978. In the past, the level of living consumption of the peasants was relatively low, and peasant incomes were mainly used to solve problems of warmth and food. Since the 3rd Plenary Session of the 11th CPC Congress, peasant living consumption levels have continued to increase, and food expenditures as a proportion of net income decreased from 58.8 percent in 1978 to 47.5 percent in 1983.

III. Higher Quality of Material Living Consumption, Further Improvement of Peasant Living Standards

Along with continual and substantial increases in peasant net incomes and growing prosperity in the markets, the peasants have begun to change their traditional living consumption customs, and are making ever-increasing demands on consumption goods. This is shown mainly in:

1. Improved quality of foodstuffs, increased consumption of flour and rice, increased consumption of primary non-staple

foodstuffs. Average annual peasant per capita grain consumption in 1983 was 519.8 jin, the same as in the previous year. Flour and rice increased by 2.3 percent over 1982, while coarse grains dropped by 6.58 percent. Flour and rice as a proportion of total grain consumption increased from 73.8 percent to 75.5 percent. The trend in non-staple foodstuff consumption was toward lower fats and higher protein. The average peasant per capita vegetable consumption level in 1983 was the same as in the previous year; edible oils increased by 2.8 percent; meat increased by 10.1 percent; poultry increased by 4.5 percent; eggs increased by 10.2 percent; fish and shrimp increased by 20.5 percent; sugar increased by 5.9 percent; liquor increased by 17 percent.

2. Higher demand for clothing, an obvious improvement in clothing quality. The peasants purchased many types of medium- and high-grade textile products, while cotton cloth consumption has continued to decrease. Average peasant per capita consumption of chemical fiber cloth was 7.01 chi, a 52.7 percent increase over the previous year. Woolen, silk and satin goods increased by 32.1 percent; cotton cloth was 19.4 percent less than in 1982. Many young peasants are not only concerned with the quality of the clothing, but also want "elegant tones, beautiful designs, and new patterns." The average peasant family bought 2.5 items of finished clothing in 1983, and the past situation of "new for 3 years, old for 3 years, patched up for another 3 years" and wearing home-made cloth is now seldom seen.

3. There has been a great increase in the amount of medium- and high-grade durable consumer goods. At the end of 1983,, each 100 peasant households had an average of: 63.4 bicycles, an increase of 23.1 percent over 1982; 38.1 sewing machines, an increase of 16.2 percent; 91.4 wristwatches, an increase of 34.3 percent; 56.8 radios, an increase of 12.6 percent; 4 televisions, an increase of 1.38 times; 1.5 tape recorders, an increase of 1.29 times; 4.4 electric fans, an increase of 93 percent. Some peasant families have purchased washing machines, electric refrigerators and motorscooters. The entry of these medium- and high-grade durable consumer goods into peasant households is a vivid illustration of the obvious improvement in peasant living standards.

4. Higher quality of newly-constructed housing, improvement of housing conditions. The average peasant household built 0.31 rooms of new housing in 1983, and the average area of the newly-constructed housing was 4.4 m². At the end of the year, each peasant family had an average of 4.81 rooms of housing, an increase of 1.25 rooms over the end of 1982. The average per capita living space at the end of the year as 11.63 m², an increase of 0.9 m². The peasants are not concerned with beautiful designs, structural soundness, space, and light in their new housing, and there have been obvious quality improvements.

IV. Sustained Increases in Purchasing Power, Commodity Consumption Now Predominates

Increased cash incomes have led to a corresponding increase in peasant purchasing power. Average per capita expenditures for commodity purchases amounted to 186.33 yuan in 1983, a 21 percent increase over 1982, and a 2.5 times increase over 1978. Of this amount, 142.87 yuan was used for purchasing living consumption goods, an increase of 17.5 percent over 1982. Expenditures for purchasing production materials amounted to 43.46 yuan, an increase of 34.1 percent over the previous year.

The primacy of self-sufficient consumption in peasant living consumption is beginning to be supplanted by the primacy of commodity consumption. Average peasant monetary payments for living consumption goods accounted for 58.8 percent of total expenditures for living consumption goods in 1982, up from 39.7 percent in 1978. Self-sufficient consumption decreased from 60.3 percent to 41.2 percent over the same period.

The increase in peasant incomes in recent years has a certain restoratory character. Family resources are still limited, and their capacity for expanded reproduction is still fairly low. In 1983, apart from the average peasant per capita income used for normal living consumption, only a small amount could be used for monetary savings for production and living. Moreover, some of the peasants still live in fairly difficult conditions. In 1983, 7.5 percent of the households had a per capita income of less than 150 yuan. These peasants have low incomes and poor living standards. They lack the money to develop production, have few opportunities, and still require assistance.

12539

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TIME LIMIT OF AGRICULTURAL CONTRACTS DISCUSSED

Kunming JINGJI WENTI TANSUO [INQUIRY INTO ECONOMIC PROBLEMS] in Chinese No 3, 20 Mar 84 pp 39-41

[Article by Qiu Jianqiang [6726 1696 1730] of the Zhejiang Province, Rui'an County Agriculture Committee]

[Text] Since the implementation of the system of contractual responsibility for output quotas by households, the question of how to rationally determine the time limit of contracts as to promote intensive management in agriculture has been one that deserves discussion and study. This article will present some preliminary opinions on this question.

I. Excessively Short Contractual Time Limits Obstruct Intensive Management in Agriculture

The system of contractual responsibility for output quotas by households is the primary administrative form in agricultural production at present. Data have shown that most land contracts have a time limit of three to five years.

The form of extractive management that uses land without nurturing it is fairly common at present. The author feels that the reason for this is that the time limits of contracts are too short. This causes the peasants to be unwilling to invest in the land. Although the system of contractual responsibility for output quotas by households that was built on the foundation of public ownership of land does encourage the peasants to invest in the land, investments in the land for intensive management must favor the prevention of disasters and the nurture of soil fertility in order to give play to the benefits and derive differential income. In contrast, extractive management can be carried out on land, so that one merely relies on nature to eat, causing the land to become increasingly worse as planting continues. For this reason, based on household contractual administration under public ownership of the land, the key to improving the level of intensive administration of land is that the producers must have a high degree of concern for the land. Their concern depends on

the unstable relationship of immediate advantage or disadvantage between producers and the land, that is, whether or not the contracted land provides differential income following the implementation of intensive management during the time limit of the land contract. This is true not only of land management for cropping, but is also true for agriculture in the broader sense and for other departments.

The time limit of contracts must be determined rationally according to local conditions, type of activity and categories before we can promote the development of agricultural production and raise the level of intensive administration.

II. How To Rationally Determine the Time Limit of Contracts

The time limit of contracts should be determined according to local conditions, type of activity and category. This does not mean that there are no definite standards for the time limit of contracts. We will examine cropping, animal husbandry and forestry below.

1. Land factors should be the primary consideration in determining the time limit of contracts for cropping. Rural areas have continuously carried out capital construction on farmland centered on water control and soil improvement since the founding of the country. They have built a large number of water conservation projects, renovated cultivated land, and built up a large amount of fields with high and stable yields. A great deal of work has been done in land development, improvement and utilization. Especially since the 1970's, with the adoption of advanced agricultural technologies and equipment, there have been increased investments of the means of production and labor power on a relatively small cultivated land area. We have greatly raised the level of intensity, improved the production conditions of farm land, and developed agricultural production. Practice has proven that a fairly long time period is needed to raise the level of intensity. The economic results of intensive management appear only gradually during this process. This type of fairly long time period is not counted in years, but in decades, at the minimum.

For this reason, in order to encourage contractors to invest in land and gradually raise the level of intensive management, it is rational to set the time limits of contracts at ten years or even longer. Only in this way will the contractors truly gain the benefits of intensive management. In this way, there can be greater investments and more labor power to promote a continual rise in the level of intensive management.

2. Animal husbandry should begin with the biological characteristics of livestock and determine the time limit of contracts according to the optimum raising period so that the contractors

truly gain the economic benefits of intensive management in animal husbandry during the time limit of the contract. We will use dairy cattle as an example. The biological characteristics of dairy cattle mean that a dairy cow will produce its first calf and begin to lactate after being raised for 2.5 years. Milk production reaches its highest level during the fourth to sixth lactation periods. Afterwards, the organism gradually declines, and there is a corresponding reduction in its ability to produce milk. Milk production declines over a period of years, as do economic results. This means that there is an optimum age span for raising dairy cattle. It covers the period from the beginning of lactation in a dairy cow to the time when the accumulated net results of production reach their maximum value. This is the optimum period for raising dairy cattle. The final year of the optimum raising period is called the optimum age for raising a dairy cow. At this time, killing or otherwise dealing with the dairy cow is the most economically rational. For this reason, the time limit of contracts for dairy cattle should be determined according to the optimum age for raising dairy cows so that the contractor gains the best economic results. Only then is it most rational.

Surveys and analysis by related departments show that the optimum age for raising dairy cows is generally around 9 years (or when the cow is about 12 years old). Therefore, the time limit of contracts for dairy cattle can be divided into two situations: The first is that dairy cattle can be contracted when they are more than 12 years old, but consideration must be given to dairy cattle replacement factors. The contractual time limit should be at least 12 years. The second is contracting for dairy cattle within the optimum age span for raising so that the contractual time limit is added to the age of the cow, but does not exceed the optimum raising age of a particular cow. Both of these are fairly rational.

Of course, the above discussion concerns general conditions. The optimum age for raising dairy cattle can differ according to types of dairy products and raising conditions. These can be known only after technical and economic analysis. Therefore, the time limit of contracts for dairy cattle should be determined according to local conditions and categories.

3. Forestry production has the special characteristic of being long-term, regenerative, ecological, easy to destroy and difficult to restore. Economically, this is reflected in the fact that the amount of use value that forestry provides to society is formed of two components: ecological benefits and forestry products themselves. Objectively, the special character of the forces of production in forestry strongly require a stable assignment of rights over forests before it is possible to have intensive management of forests. For this reason, the time limit of forestry contracts (responsibility for hillsides) should be deter-

mined rationally according to the biological characteristics of each type of forest, through technical and economic analysis, and according to local conditions and forest type. We should strive to extend the time limit of contracts for sparse forests on barren hills.

Speaking in concrete terms, technical departments in forestry have shown that the amount of dry material that accumulates in fuel forests after a hillside is closed can increase or decrease over time, forming a typical production curve. During the fifth or sixth year after the hillside is closed, the amount of dry material that accumulates during a particular year will equal or approximate the average amount of dry material that accumulates over several years. This is the most appropriate time for cutting the fuel from both the technical and economic viewpoints, and the economic results are highest. An analysis of this question shows that the rational time period of contracts for brush fuel forests is at least 10 to 12 years (5 to 6 years during the technically and economically rational period from the time the hillside is closed after contracting up to the time of cutting + 5 to 6 years for thinning and felling = 10 to 12 years).

As for contracts for sparse forests on barren hillsides, consideration should be given to the production cycle of newly-planted trees. Contractual time limits should be as long as possible, with the minimum contractual period being equal to a single production cycle, in order to benefit the full development of resources in mountainous areas and to give fullest play to the ecological benefits of forests.

To summarize the above, rationally determining the time limit of contracts is complex work and touches on many questions. There must be multidepartmental and multidisciplinary cooperation among technical personnel to apply technical and economic analysis methods and to find solutions to problems. Only in this way will it be possible for the peasants to gain the greatest economic benefits during the time limit of the contract and give full play to their enthusiasm for voluntarily improving production levels and moving along the path toward intensive administration.

III. Problems Deserving Discussion

The analysis above shows that the time limits of most agricultural contracts are too short. Appropriate readjustments should be made through a process of perfection. After the time limit of a contract has been lengthened, however, many unavoidable problems will appear. This requires discussion and study to search for methods of resolving them.

Practice in recent years shows that extension of the time limit of land contracts creates the most problems, meaning that several real problems are obstructing the lengthening of the time limit of land contracts. There are four main problems:

1. The object of many local contracts is unclear, and the form of contracting is not rational. Everyone is given land, and all families have contracts. This is especially true of the "four shortage households" (shortages of labor power, capital, technology and equipment), as well as households that have left the area, "five guarantees" households, non-farm households and lazy households, all of which are given land. There are even cases in which children born in excess of birth control limits, daughters-in-law who have never been in the household, and even unborn children have been given land. This has led to an imbalanced situation in which labor power has no land to farm or land has no one to farm it. This also has led to lopsidedness in the distribution of materials among contracting households. This has continually caused such illegal activities as allowing the land to fall into disrepair, renting, mortgaging, and building houses, and has caused many peasants to demand that there be rational readjustment of the land.

2. Differences in the production conditions of contracted land has caused many peasants who currently have poor quality land to hope that they can exchange land frequently. Some areas have adopted contracts that award even proportions of good and bad land. This has scattered land contracts and destroyed the integrity of the land. It does not favor unified arrangements by the peasants of such production links as drainage and irrigation, mechanical cultivation or plant protection, nor does it benefit unity in production plans and crop distributions. It wastes manpower, materials and financial resources, and it has caused the peasants to urgently ask for readjustment of the land and contracts for adjoining fields.

3. There are fairly major changes in the four types of population change in rural areas (birth, death, marriage and transfer). These population changes of course create a contradiction between current supplies of consumption grain and the originally contracted land and completion of tasks. It has caused peasant families that have grown in size to urgently request readjustments in land contracts to increase the amount of land for consumption grain so they can solve the problem of consumption grain.

4. Following the development of the "joining of two households" in rural areas, part of the labor force has moved out of cropping and is taking part in other types of specialized production. They have taken the land that they originally contracted for and personally transferred the contracts to peasant households engaged in cropping so that they might farm it. In the transfer of rights over this land, the peasants do not have any opinions concerning the transfer of rights over consumption grain lands, while they are greatly concerned with compensation for the transfer of rights over fields with production tasks. I consider this to be a form of covert exploitation using collective property.

I hope that this land will be readjusted and truly contracted out to peasant households that are engaged in cropping.

How can we rationally lengthen the time limit contracts while being able to effectively solve the above problems during the process of perfecting responsibility systems? I feel that we should change the irrational contractual patterns of the past and distribute consumption grain fields to households; fields with state production tasks and fields with a responsibility to turn over products for society, land that is poorly administered and the land of households engaged in industry and sideline production should be centralized, and we should adopt the method of differential tasks for turning over products and bidding for contracts by able persons.

The concrete method is that the first step first of all involves unified classification and grading according to the good or bad qualities of land fertility, distance, water conservancy, irrigation, drainage, sunshine and other conditions, even implemented down to an actual piece of land. Next, the unit standard output of each grade of land is determined (generally, the base number is the average actual output under normal conditions during the previous three years, added to a fully reliable potential proportional increase), and then fields with production tasks and fields with a responsibility for turning over products for society are distributed according to the standard output. The remaining consumption grain fields are then distributed evenly. The second step is to centralize all the land with production tasks, land with a responsibility to turn over products to society, and consumption grain land of those households that cannot manage it or of those households that are engaged in industry and sideline production are unwilling to contract for. Based on the unit standard output for each land grade determined above, real conditions should be the starting point for determining unit standards for production costs and labor remuneration to finally determine the amount that should be turned over according to land grade. The third step is to take this centralized land and adopt the method of bidding for contracts to allow able farmers to contract for it.

This method has many good points: 1) It promotes the development of all types of specialized households. 2) It effectively solves the consumption grain supply problems of peasant households unable to manage farms and industrial and sideline households, and the problems caused by the four types of relatively long-term population changes in rural areas. 3) It links up the basic interests of laborers who have contracted for all grades of land, so that an equal amount of labor can obtain basically the same amount of remuneration. Income differentials caused by high- or medium-quality cultivated land can be eliminated by turning over

different amounts. 4) In the production process, the contractors themselves will increase their investments, improve administration and management, or adopt new improved varieties and other measures to increase income so that they derive gains. This can encourage the peasants to actively invest in the land, to do good work in capital construction on farmland, to nurture soil fertility and to improve production conditions. 5) The time limit of contracts can be lengthened according to the special characteristics of agricultural production. 6) It facilitates production and management. The peasants can contract for nearby land and adjoining pieces of land, thereby maintaining the integrity of the land. This will favor rational crop distributions and reduce a large amount of ineffective labor in plowing, sowing, disease control, fertilizer application, piping water, harvesting and other activities. It also will lower production costs, improve economic results and lead to the development of specialized cropping households.

There of course can be other methods, such as extracting over-quota grain reserves or raising the output standards for consumption grain fields on the basis of existing contracts. The author feels that the above method will solve more contradictions, however, and has many good points. It is suitable for broad areas and favors intensive management in agriculture. It is a relatively good method for contracting land. Of course, there are great differences between areas, and we cannot pursue a single model. Effective methods for resolving problems should be selected according to local conditions.

12539

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PROMOTION OF COMMODITY PRODUCTION BY RURAL FINANCE

Beijing JINGJI RIBAO in Chinese 19 Jul 84 p 1

/Article: "Development of Rural Finance Energetically Promotes Commodity Production; There Are More Than 360,000 Agricultural Bank Business Offices and Credit Cooperatives With Nearly 1 Million Financial Workers in the Countryside; Agricultural Loans in Past 5 Years Total Over 178 Billion Yuan"/

/Text/ Rural financial undertakings have grown continually with the development of the rural economy in our country in the 35 years since the founding of New China. The number of agricultural bank business offices and credit cooperatives in the vast countryside now totals over 360,000, employing nearly 1 million rural financial workers.

In old China, there was only one Chinese Farmers Bank, which was set up in 1933 with bureaucratic capital. According to statistics compiled by that bank at the end of June 1940, the total sum set aside for loans amounted to over 710 million yuan (bogus currency), of which 80 percent, or over 570 million yuan, was for military and government loans; 19.6 percent, or 140 million yuan, was for money advanced to pay local administrative expenses; and only 0.4 percent, or over 2.8 million yuan, was for agricultural loans. It was clear that the farmers bank at that time served only the counterrevolutionary "encirclement" campaign, with the money used for soldiers' pay and for the purchase of military provisions. The small number of loans extended by the old Chinese Farmers Bank went through the hands of landlords, local tyrants and evil gentry who in turn lent the money to poor peasants in an exploiting and blood-sucking way at a monthly interest rate of over 30 percent. As a result, many peasant families were ruined like the character Yang Bailao depicted in the drama "The White-haired Girl." The old Chinese Farmers Bank, which was founded in 1933 and which collapsed in 1949, set up only 761 units at all levels and employed only 4,700 bank staff and workers in 16 years.

After national liberation, the party and the government paid great attention to developing rural financial undertakings. A rural financial network was formed in our countryside in 1953 with the state banks under ownership by the whole people as the leading factor and the credit

cooperatives under the collective economy as the supplement, thus ending usurious exploitation in the countryside and setting up the socialist agricultural credit system.

The main purpose of the rural financial departments has been to support the development of the rural economy. The amounts of various types of agricultural loans extended by the agricultural banks and credit cooperatives throughout the country between 1950 and 1978 totaled over 110 billion yuan. After the 3rd Plenary Session of the 11th CPC Central Committee, the agricultural production system based on contracts signed by the households was instituted and the policy of "sparing no effort in promoting grain production and diversified undertakings" was also relaxed. As a result, commodity production developed vigorously and flourished, thereby unfolding a broad vista for rural financial work. In 1979, the Chinese Agricultural Bank readjusted the policy and the rural credit system which had become incompatible with the development of the commodity economy. Since then the activities of extending rural credits have in the main shifted from supporting collective production by the communes, brigades and teams to supporting the households under contract and the specialized households in developing commodity production; from chiefly supporting agricultural production to supporting the all-round development of agriculture, forestry, animal husbandry, sideline production and fishery and comprehensive business operations by agricultural, industrial and commercial units; and from supporting mainly the production links to supporting the entire process of production, distribution, exchange and consumption. The rural financial work has thus developed from a simple operation of handling agricultural credits to an all-round credit operation for the benefit of all trades in the countryside.

In a period of 5 years between 1979 and 1983, the rural financial departments extended various types of loans for agricultural production totaling more than 178 billion yuan, or over 60 billion yuan more than the total sum of loans extended in the previous 29 years. A total of over 1.15 trillion in rural commercial loans was extended in 5 years (the funds derived from idle and dispersed funds held by rural organizations and from recalling loans due to make the rounds). At the same time, the rural financial departments also handled cash receipts and payments totaling 1.8 billion yuan and handled more than 290 million cases in settling accounts with different places totaling over 1 trillion yuan, thereby providing excellent services in the development of commodity production and commodity circulation.

12662

CSO: 4007/8

FULFILLMENT OF NATIONWIDE AFFORESTATION DISCUSSED

Beijing ZHONGGUO NONGMIN BAO in Chinese 26 Aug 84 p 1

/Article: "Annual Plan for Nationwide Afforestation in Tracts Has Been Overfulfilled; Forestry Reform Is Developing in Depth"/

/Text/ It has been learned from the national conference of directors of forestry departments and bureaus now being held in Yantai City, Shandong, that an unprecedented new upsurge has emerged in nationwide afforestation this year. According to statistics compiled at the end of June, the annual plan for nationwide afforestation in tracts was overfulfilled by 46.7 percent during the first half of this year, or an increase of 30.1 percent over the same period last year, of which afforestation by individual peasants accounted for 38.2 percent, an increase of 81.3 percent over the same period last year. The acreage of seedlings was completed by 7.83 million mu, an increase of nearly 20 percent over the same period last year. The acreage of young forests also increased markedly, overfulfilling the quota by more than 97.2 percent compared with the same period last year. The quality of afforestation work has also improved notably.

A responsible comrade of the Ministry of Forestry pointed out the more noticeable characteristics of the present situation on the forestry front as follows:

The strategic position of forestry is now more recognizable to the leadership of various localities and departments, and the speedy development of forestry has become an important topic of the whole society in revitalizing the economy. This year, 21 provinces, prefectures and cities have made decisions or have drawn up regulations to cover the country with trees, and there have been new breakthroughs in policies and measures in this regard. The PLA, the CYL, the railways and the coal, communications, banking, petroleum, state farm and reclamation and urban construction departments have also taken a firm grip on this work. As a result, afforestation work has progressed in speed and momentum and the quality of afforestation work is far better than it has been in any previous year.

With the forestry policy relaxed, households specialized in afforestation are developing rapidly. The acreage of private plots of hilly land has increased from 250 million mu last year to 400 million mu at present. Households specialized in afforestation in 21 provinces, prefectures and cities increased from 1 million in June last year to over 3.5 million. The protracted "logjam" affecting the flow of lumber for private use and of small timber and logs in the collective forest zones is changing.

Funds for afforestation are now being pooled from various channels involving the state, the localities, the peasants and the society instead of relying mainly on state subsidies as in the past.

The reform of forestry is progressing and excellent results have been achieved by signing contracts with forest farms, reclamation farms, offices and schools. In many localities there are now state forest farms being contracted to individuals, families, joint households and specialized teams for afforestation.

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TRANSPROVINCIAL AFFAIRS

AQUATIC PRODUCTS SALES SLUMP IN NORTHEASTERN PROVINCES

Cause for Slump Explained

Beijing JINGJI RIBAO in Chinese 19 Jul 84 p 1

/Article: "Sales of Aquatic Products in the Three Northeastern Provinces Slump, Business Faces Hardships"/

/Text/ Since the beginning of this year, an "abnormal" phenomenon seldom seen in nearly 2 years has emerged in the aquatic product markets in Liaoning, Heilongjiang and Jilin Provinces, where supply and marketing enterprises handling aquatic products reported a slump in sales. Business is becoming more difficult with each passing day with large stocks of aquatic products piling up.

The three northeastern provinces are the heavy industrial bases of our country where the people's purchasing power is usually high and the supply of aquatic products always falls short of demand all year round, particularly after the brisk Spring Festival season is over, when very little stock is left. However, this year is different. By the end of March, the aquatic products kept in stock in these three provinces totaled 44,841 dun, an increase of 67.7 percent over the same period in 1983. Instead of busily stocking up goods as in previous years, the supply and marketing departments of aquatic products have now been busy disposing of their products in stock. Some enterprises even shipped back the silver carp they purchased earlier to areas inside Shanhaiguan for sale at a lower price. The aquatic products in stock in the three provinces by the end of June still remained over 4 million dun, a great portion of which was purchased during the fourth quarter of last year.

According to an analysis based on the results of an investigation, this situation was brought about (1) by excessively high prices. The purchase price for croakers, hairtails, silver carp and grass carp in 1983 rose sharply as compared with the price in 1979, the price in general went up from 100 to 200 percent and some prices jumped 300 percent. In addition, as most places in the northeastern provinces gradually abolished financial subsidies for the sale of fish, the fish retail price also rose correspondingly, thereby discouraging consumption. For example, the black scrapers, a best-selling item

in Jilin Province at one time, had been selling at about 800 dun per year, but because of the rising price in the production areas last year, sales dropped to 450 dun and there is still some in stock.

(2) Poor business operations that failed to satisfy the needs. Some supply and marketing enterprises have always thought that aquatic products "could be bought and sold without worry." As a result, they failed to study the market information and made unrealistically large purchases of aquatic products which were not up to standard, not too fresh and of poor quality. Some of the aquatic products piled up in stock are miscellaneous salt-water fish and fresh-water fish like silver carp. As their living standards have improved, the people in the urban and rural areas have become choosier in buying fish and have not been too keen about buying fish of poor quality at higher prices.

At present, while making inquiries by mail and telegram with potential buyers in other areas, most of the well-stocked aquatic production areas have made no move to drop their prices. The buyers, on the other hand, who are holding surplus stock and hope the producing areas will further reduce their prices are not too keen on buying more. Up to now, both sides remain undecided and are taking a wait-and-see attitude.

Reasonable Price Urged

Beijing JINGJI RIBAO in Chinese 19 Jul 84 p 1

/Commentary: "Price Must Be Reasonable"/

/Text/ The changes in demand and supply of commodities must be regulated by the law of price. Fish is no exception. When the price for fish rose beyond a reasonable limit, consumers naturally had to make a choice. "Of the four choices of delicacies--chicken fish, meat and eggs"--which is most worthwhile? To buy meat, poultry and eggs or fish which is not too fresh or delicious with the same amount of money? The consumers' choice is clear in the northeastern market. The attitude of hanging on the old imperial calendar in the blind belief that fish is a sellable item regardless of quality or price and the business idea and style that "the daughter of an emperor should not worry about finding a husband" are utterly intolerable.

The slump in the sales of aquatic products in the northeast has given the people a message, that is, the supply and marketing policy must be further relaxed and the market must be further invigorated, and while there is tremendous potential in marketing aquatic products, efforts should be made to tap it.

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EXPERIMENTAL METHODS OF INCREASING LAND YIELDS

Fuzhou FUJIAN RIBAO in Chinese 18 Jul 84 p 1

[Article: "A Multilayer Three Dimensional Agriculture Experiment--The Value of One Mu of Cane Land Can Be Increased Sevenfold--Xiang Nan Says That Fujian Has a Large Population and Little Land. But It Also Has the Advantages of a Subtropical Climate--With Intensive Administration, One Mu of Land Can Be Used Like Five or Even Ten Mu--Fujian Agricultural College and the Fujian Academy of Agricultural Sciences Carry Out Scientific Research By Staying at a Selected Grass-Roots Unit, Improving Its Work and Gaining Firsthand Experience for Guiding Overall Work"]

[Text] Recently, Xiang Nan [7309 0589], First Secretary of the Fujian Provincial CPC Committee came to Jianhua Brigade in Longhua Commune in Xianyou County and visited the multilayer, three dimensional agricultural experiment being carried out there by Fujian Agricultural College and the Fujian Academy of Agricultural Sciences. He praised their spirit of carrying out long-term scientific research by staying at a selected grass-roots unit, improving its work and gaining firsthand experience for guiding overall work.

Jianhua Brigade is a scientific research base for studying improved high yielding sugarcane that was personally created by Fujian Agricultural College professor and famous sugarcane specialist Zhou Huiyong [0719 0932 8673] during the 1950's. A group of agricultural S&T personnel have earnestly carried out various types of agricultural scientific experiments over a long period here. On the afternoon of 14 July, Comrade Xiang Nan, Wen Xiushan [3306 4423 1472], Chairman of the Fujian CPC Committee Standing Committee and the Fujian Agriculture Commission, and others arrived at an emerald green sugarcane plantation. While bending to make their way into the cane plantation, they saw a sight that was a world all its own. The ditches of the cane fields were filled with irrigation water, a school of "luofei" fish were swimming about, eggplants and tomatoes planted on both sides of the ditch were hanging heavy with fruit, and bamboo poles stuck at an angle over the ditch were full of climbing vines with bitter gourds hanging from them. The comrades accompanying Xiang Nan told him that they were also raising river

snails in the bottom of the ditches and that duckweed would be spread on the surface of the water in a few days as feed. When the cane seedlings were being planted at the beginning of the summer, they were also intercropped with soybeans planted along the sides of the ditches. After the soybeans were harvested and as the cane grew, they also planted eggplant, tomatoes, towel gourds and other plants. After the fall, when the cane had grown as tall as a forest, thick cane stalks were used to make a canopy that was then covered with plastic membrane. They planted edible fungi such as *Auricularia auricula-judae* and Xianggu mushrooms. According to preliminary estimates, a value of output of more than 4,000 yuan can be created on one mu of land, a sevenfold increase over the previous value of output from planting sugarcane alone.

After making their on-the-spot investigation and hearing the introductions, Xiang Nan and Wen Xiushan were extremely pleased with their successful experiments. Xiang Nan said that their experiments conform to the developmental directions of agriculture. Fujian has a large population and a small amount of land, but it has the advantages of a subtropical climate. Although the amount of cultivated land cannot be increased, intensive administration can use one mu of land as if it were five or even ten mu. Xiang Nan also encouraged them to popularize scientific knowledge among the peasants and to run night schools for the peasants so that they can come to understand biological engineering and other scientific principles,, to know that they can become wealthy through modern agriculture, and that they can increase material civilization as well as socialist spiritual civilization.

12539

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LAND RESOURCES MUST BE MANAGED CONSCIENTIOUSLY

Fuzhou FUJIAN RIBAO in Chinese 21 Jul 84 p 2

[Article by Xiao Gengwang [5135 2577 2489] and Lin Zhenming [2651 2182 6900]]

[Text] Land is a limited natural resource that occupies a primary position in the national economy. Good land management is extremely important. Although some successes have been achieved in the area of curbing the disorganized occupation of cultivated land in rural areas and controlling urban land use in recent years, it has not been controlled strictly enough because of an inadequate concentration on land management at all levels of leadership. With the additional lack of unified zoning for urban and rural construction, the practice of building on cultivated land has not been wiped out. In the suburbs of Fuzhou City, for example, organizations, schools and factories requisitioned nearly 10,000 mu of land from 1979 to 1983, a period of only 5 years. Some brigades have had all of their land requisitioned away, and others have nearly reached this point. This directly influences vegetable production. In the Dongtu Brigade of Donghai Commune in Quanzhou City, 90 houses were built last year, 40 of them without permission. This situation shows that strengthened land management is essential.

We recently went to rural areas for an investigation, and we feel that some problems require earnest resolution. 1. All levels of leadership must earnestly concentrate on land management. There is a great difference between grasping the situation and not grasping it. The past phenomena of chaotic occupation of cultivated land and disorganized use of land is related to the failure of the leadership of those areas to sufficiently concentrate on the problem. An example is Jinjiang County, where there was fairly serious occupation of land for house construction. Last year, the leadership of the county party committee and the county government concentrated on land management and completely eliminated the occupation of land for house building. Those who deserved punishment were punished, and those houses that should have been dismantled were torn down. The situation got better. The question of land management, therefore, should receive as much attention as family planning. 2. There should

be good work in legislation and widespread development of propaganda and education. Currently, propaganda concerning the articles and decisions of the State Council and related provincial land management organs has still not reached the people's hearts, and violators still cannot be strictly controlled. This requires rapid legislation to subject units and individuals to legal restrictions and protections in relation to land use to curb the phenomena of chaotic occupation of land and building.

3. The deployment of the corresponding personnel in land management organs at all levels should be strengthened to benefit the development of work. The land management organs in many counties and communes have not yet been fully set up. Personnel is insufficient and jurisdictions have not been implemented. This makes it difficult to develop work. For this reason, the entire province and all of its prefectures (cities) and counties should establish land management organs with authority, in order to unify the management and use of land, and townships and towns should set up land management personnel, so that there are people at all levels with the appropriate responsibilities, and so that people take responsibility for all types of matters.

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STEPS TO IMPROVE RURAL ECONOMIC SYSTEM

Guangzhou YANGCHENG RIBAO in Chinese 6 Jun 84 p 3

[Article by Ma Encheng [7456 1869 2052]: "The Rural Economic System Should Suit Commodity Production"]

[Text] Like the rest of the nation, rural commodity production in Guangdong is flourishing on an unprecedented scale, and a vast panorama of prosperity can be seen everywhere.

At the present time, apart from further elimination of "left" influences, we must work hard to reform the former economic system if we are to be able to meet the need for continual development of commodity production.

The current economic system in China was established shortly after the founding of the country. At that time, the forces of production in rural areas were very low, and there was also war-time destruction. There were few surplus products, and we also had to provide the basic means of livelihood to the urban population. We were forced to emphasize "unity" and independent administration. At that time, commercial departments to a great extent implemented state tasks for the allocation of goods and materials, and were only minimally engaged in organizing and developing commodity circulation. The adoption of this method was necessary during the early period after the founding of the nation, and it played a positive role. This type of system, however, is becoming less and less suited to the requirements of economic development, so there must be thoroughgoing reform. [Vice Premier] Comrade Wan Li pointed out that, "following the ever more intensive reforms of all aspects of rural areas, continual improvement of the forces of production, and the development of many types of economic structures, the problems of the relations of production not being suited to the forces of production and of the superstructure not being suited to the economic foundation is becoming increasingly obvious." He proposed that "the special characteristics of commodity production should be the starting point for a thorough consideration of our rural circulation systems and price policies and a consideration of how to meet the needs of commodity production." Reform of the economic system in the rural areas of Guangdong should concentrate on the following major concerns:

1. Reform the administrative system that integrates government administration with commune administration and with enterprise administration. Change the system of production guidance through administrative measures into one that uses economic measures to guide production, and manage affairs according to objective economic laws. This does not mean that administrative management departments should not be concerned with economy, but instead that they should mainly study direction and policies, and provide services to the basic levels. They should not be overly involved in the internal affairs of enterprises, and they should give full administrative and managerial decision-making rights to enterprises. This is especially true for cooperative enterprises in rural areas, which should practice independent accounting and responsibility themselves for profits and losses. They definitely should not be bound hands and feet. Following the separation of government administration from commune administration, this problem must be dealt with further in township and town enterprises, and in basic-level supply and marketing cooperatives and credit cooperatives.

2. Single enterprise administration should be transformed into multi-enterprise administration. There should be a system of multiple economic components, economic diversification and multiple channels of circulation, so that the state, collectives and individuals work together in unison. The sphere of production in rural areas is primarily based on a cooperative economy with collective ownership by the peasants. To match this, circulation channels should be based primarily on the cooperative economy under the leadership of the state-run economy. Only in this way can we come to think like the peasants and be concerned about the things that the peasants are concerned about, so that circulation better serves production.

3. Reform the system of disjointed production, supply and marketing into one that integrates production, supply and marketing. Commodity production requires close coordination between the various economic links. There should not be just vertical relationships between departments and between enterprises, but there also should be horizontal ones as well. Otherwise, there will be mutual disjointing, so that everyone does things in their own way or passes the buck. For this reason, we must establish a system with various forms of integrated production, supply and marketing, develop the diversified economy, and develop comprehensive administration of agriculture, industry and commerce.

4. Change the system of "eating out of the big common pot" and implement a responsibility system which integrates rights, responsibilities and benefits. This should be the case for enterprises as well as for administrative departments. Food products, aquacultural, forestry and other departments should change the system of unified purchasing and payment for an entire province and eating out of the big common pot. The enterprises should be

transferred downward to counties, or the county as a unit should assume financial responsibility. Only in this way will it be possible to motivate the initiative of local areas and basic level employees.

5. Transform overstuffed organizations. Commodity production requires strict economic accounting so that the smallest input provides the greatest amount of output. For this reason, we should reduce the number of administrative personnel in departments and enterprises and reduce the number of links between them. This is an important condition for reducing the number of "mothers-in-law" [unneeded personnel] and expanding the decision-making rights of enterprises. It is also an important condition for improving enterprise results, lowering costs and strengthening their ability to compete.

Development of commodity production requires strengthened leadership. Leadership of commodity production cannot be limited to production itself, but should also concern circulation, information, markets and communications. The CPC Central Committee has proposed that county CPC committee secretaries cannot merely be secretaries of grain or secretaries of agriculture. They should become familiar with the entire unified planning economy, and should organize all economic departments to work together to serve commodity production. The reform of the rural economic system touches upon the interests of all economic departments, and barriers often form because of this. For this reason, the reform cannot be limited to reliance on business departments. The leadership at all levels should inspect, supervise and urge so that everyone stands in the front ranks of the reform, in order to promote the development of commodity production in rural areas.

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CSO: 4007/220

PROSPERITY OF GUANGDONG TOWN, TOWNSHIP ENTERPRISES DESCRIBED

Guangzhou NANFANG RIBAO in Chinese 28 Jul 84 p 1

/Article: "Provincial Rural and Township Enterprise's Gross Income Exceeds 3.1 Billion Yuan"/

/Text/ In the first half of this year momentum developed in our province's town and township enterprises. The gross income of 3.169 billion yuan is a 16.1 percent increase when compared with the same period of last year. Of 14 cities and areas over the entire province, 13 had increased earnings, with the cities of Maoming and Zhanjiang and the area of Huiyang having increases averaging over 20 percent.

During this year all areas of our province have earnestly carried out Central Committee Document No 1, took steps to relax policy restrictions and "unbound" and "gave the green light" to the rural and township enterprises, thus causing these enterprises to have increased vitality. Rich in the natural resources of minerals, energy and timber, the mountainous area of northern Guangdong along with many other counties has broken through the restrictions, letting them go all out in utilizing and developing the natural resources of the local area, and has also revived a group of "dead" enterprises. The peasants of Wuchuan and Dianbai Counties set up a cooperative enterprise and by following the path of unity, development and service, vigorously developed the town and township enterprises. With the cities of Zhangjiang and Maoming publicizing the experiences of these two counties, the peasant cooperatives sprang up like bamboo shoots after a spring rain. In the first half of this year the gross income of town and township enterprises in the cities of Zhanjiang and Maoming increased over 30 percent compared to the same period last year. The Pearl River delta area, having a comparatively good town and township enterprise base along with fairly fast development, devoted major efforts to developing commodity production based on market demands. In the first half of this year, an exceptional condition for development appeared in its town and township enterprises, with the Nanhai County cities of Shunde and Zhongshan in raising the enterprise quality, and intensified the technological reform of old enterprises while actively promoting the "importation of foreign technology to use here at home." They successively imported from abroad over 3,000 kinds of advanced pieces of equipment, set up over 1,000 jointly managed enterprises with various areas of Hainan, opened up product-selling markets and channels for raw and processed materials, developed over 700 new enterprises and tested and produced over 100 new products. During the first half of this year the town and township enterprises in the counties subordinate to the city of Foshan had a gross income of over 784 million yuan, an 18.5 percent increase over the same period of last year.

GUANGDONG PEASANTS ENCOURAGED TO OWN MEANS OF TRANSPORTATION

Interview with Provincial Official

Guangzhou NANFANG RIBAO in Chinese 13 Jul 84 pp 1, 2

[Interview: "Responsible Person of Provincial Government Answers Questions from Our Reporter Concerning Acquisition of Vehicles and Ships by Individual Peasants or Groups of Peasants"]

[Text] A responsible person of the provincial government answered several questions raised by our reporter concerning the purchase of vehicles and ships by individual peasants or groups of peasants for running transportation businesses.

[Question] What are the procedures for individual peasants or groups of peasants to engage in transportation of a business nature?

[Answer] To run a transportation business, they must possess a certificate from the people's government of the villagers' committee and report to the prefectural, municipal or county industry and commerce administration department for examination and approval. They will be given business licenses and must then call at the local tax organs for tax registration before they may be eligible for the business. Regular licenses will be issued for regular businesses and temporary ones will be issued for temporary businesses.

Motor vehicles, ships and tractors are required to pass inspections by the public security, communications supervision or ship inspection departments. The applicants should go through the procedures of establishing (transferring) their ownership, registration and licensing. Ships can only sail within the navigation zones of the approved classification, while the pilots and engineer room personnel must be tested by the public security, communications supervision and navigation administration (harbor supervision) departments according to regulations and obtain their certificates of fitness. For driving farm tractors on state highways or city roads, the applicants must have their "farm tractor licenses" issued by the farm machinery department and receive safety checks by the communications and public security departments of the municipality or county concerned. Then they may apply for their unified licenses and their "motor vehicle operating licenses of the People's Republic of China." The driver should possess a certificate from the farm machinery

department and a "farm tractor driving license" and then obtain the "motor vehicle driving license of the People's Republic of China" from the local communications and public security departments before they are permitted to drive.

[Question] What are the regulations governing the purchase of motor vehicles, ships and tractors by individual peasants or groups of peasants to undertake transportation of a nonbusiness nature?

[Answer] If individual peasants or groups of peasants are serving their own agricultural production and livelihood, engaged in delivering state purchases or transporting their agricultural and sideline products to market, such activities are considered to be transportation of a nonbusiness nature, and the possession of a certificate issued by the people's township government will be sufficient for this purpose. They will also be exempted from the road tax. Farm tractors are to be inspected by the farm machinery department above the municipal or county level. The owners must also go through the procedures of establishing (transferring) ownership and applying for licenses. Tractor drivers must be tested, verified and licensed according to the relevant regulations.

[Question] What is the scope of business activities for individual peasants or groups of peasants engaged in transportation and what are the regulations?

[Answer] They are permitted to transport both freight and passengers.

In transporting freight, they must undertake the transportation of local agricultural and sideline products and the materials required for production, construction and daily life in the countryside as their main concern. If their transportation capacity permits, they may also transport other materials in and out of their own county (or municipality). For long-distance hauls out of the county or province, they must bring their business licenses for registration with the industry and commerce administration offices at the destination. If they have to stay in another place for more than a month, all vehicles, other than those of the provincial motor vehicle transport system, and their crews must report to the communications bureau of the municipality or county where their cargoes are located. They must submit to the bureau's control and pay the taxes and transportation administration fees according to regulations.

In transporting passengers, the vehicles and ships must be properly equipped as required by passenger transportation regulations. Passenger ships must have certificates concerning the maximum number of passengers allowed. The routes for large and medium-size passenger vehicles and small motorboats must be approved by the communications department in charge above the municipal and county level in collaboration with the industry and commerce administration department in accordance with their spheres of jurisdiction and division of work. The use of tractors for passenger transportation is strictly prohibited.

Individual peasants and groups of peasants running transportation businesses must adhere to the scales of fares set by the communications department, abide by the regulations as required in the voucher-control system and use the

transportation receipt forms designated by the provincial communications department in charge and printed after verification by the tax department. They must not print their own receipts as substitutes.

[Question] What taxes should be paid by the individual peasants or groups of peasants engaging in transportation?

[Answer] Individual peasants or groups of peasants using motor vehicles, ships or tractors in transportation must take out insurance policies with the People's Insurance Company for third-party liability insurance or shipping insurance (including collision liability insurance). Those engaged in cargo transportation must have cargo insurance while those engaged in passenger transportation must have personal accident insurance for the passengers. In accordance with the regulations of the state and the people's provincial government, they must pay taxes, maintenance fees for the highways or waterways and, in addition, 1 percent of their business income to the communications administration department as transportation administration fees and another 1 percent to the industry and commerce administration department as industry and commerce administration fees for individual undertakings.

[Question] Formerly, when individuals were not permitted to run transportation businesses, individual peasants or groups of peasants had to apply for registration in the names of collectives or units. Now what should be done about them?

[Answer] We must seek truth from facts and re-register them according to the new regulations.

[Question] What can individual peasants and groups of peasants do to help improve the transportation situation?

[Answer] They must quickly join the associations of individual laborers or the organizations of other lines of business so that they can participate in political study regularly, study the policies and decrees concerning communications and transportation and exchange experiences among themselves. They must also accept the leadership of the local industry and commerce administration department; submit to control by the public security, communications and the farm machinery supervision department; willingly abide by the traffic regulations; and maintain communications and transportation order. They must ensure transportation safety and refrain from overloading or violating any regulation.

[Question] If these individual peasants or groups of peasants violate the regulations, how will they be dealt with?

[Answer] The department in charge will issue a warning or punish them with fines or suspension of their business and vehicle (ship) licenses according to the merits of each case. Those who have committed criminal offenses will be prosecuted by the judicial department according to the law.

[Question] What types of vehicles or ships can these peasants purchase to run their transportation businesses?

[Answer] According to the regulations now in force, these peasants are permitted to purchase motor vehicles (including large, medium-size and small buses, trucks, motorcycles and motor tricycles), small motorboats and tractors for their transportation businesses.

Government Support

Guangzhou NANFANG RIBAO in Chinese 13 Jul 84 p 1

[Article: "Provincial Government Gives Green Light to Peasants Running Transportation Businesses"]

[Text] To promote the development of commodity production in the countryside, to clear the channels of commodity circulation and to revitalize the urban and rural economy, the people's provincial government, in accordance with the State Council's stipulations, has recently worked out the "Regulations in Effect Concerning the Acquisition of Motor Vehicles and Ships by Individual Peasants and Groups of Peasants for Running Transportation Businesses" whereby these peasants are permitted to purchase motor vehicles (including large, medium-size and small buses, motorcycles or motor tricycles), small motorboats or tractors to run transportation businesses. These "Regulations in Effect" will soon be circulated throughout the province for implementation.

The "Regulations in Effect" point out that individual peasants and groups of peasants are protected by state laws. Without the approval of the people's provincial government, no unit whatsoever can collect fees from them or raise the scale of fees. The people's governments at all levels must strictly forbid any unit or individual from collecting fees in violation of the regulations of the state and the people's provincial government, from imposing fines or raising the scales of fees without authorization or from arbitrarily requisitioning or apportioning of their assets. These peasants have the right to reject such requests.

The "Regulations in Effect" stipulate that the urban residents, job-awaiting youths and unemployed people wishing to apply for transportation licenses may be processed according to the relevant clauses in these regulations.

The "Regulations in Effect" request that the departments concerned in all localities simplify the procedures of registration and licensing for the convenience of the masses and that the communications department help the peasants by training their motor car drivers, ship pilots and vehicle repair personnel. The repair departments concerned and the units dealing in spare parts for vehicles, ships and farm machinery should increase their outlets to provide maintenance and other technical services for the motor vehicles, ships and tractors of these peasants.

9411

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DETAILS OF POLICY RELAXATION, REFORM IN FORESTRY

Shijiazhuang HEBEI RIBAO in Chinese 7 Jun 84 p 1

/Article by Hebei People's Broadcasting Station reporter He Shihong /0149 1102 1347/ and staff reporter Xue Luying /6585 4389 5391/: "Relaxation of Forestry Policy, Reform of Forestry System"/

/Text/ The leading party group of the provincial forestry department, during the party consolidation comparison and checkup, has persisted in reforming while consolidating and has formulated a series of measures that relax the forestry policy, reform the forestry system and usher in a new situation in forestry work.

1. Further relaxation of the policy. No limit has been put on the number of hills to be used for personal needs, and sparse woods, shrub woods and remnant woods may be demarcated into hills for personal needs. Also, without differentiating hills for personal needs and hills for "responsibility plots," all barren hills may be let out to peasant households to manage. No restrictions will be imposed in the contracts as to area, region, time limit or object for peasants who contract to plant forest trees, grass and fruit trees, or who engage in other production of a developmental nature, on barren hills and banks. The contracting peasant households will be given favorable terms in the division of benefits; the forestry specialized households will have the right to manage their business independently and the right to keep their income, their children will have the right of inheritance and they will enjoy the support and legal rights given by the state or collective with respect to funds, materials, technology and information.

2. Thorough reform of the current management methods of state forestry centers. Within this year, there will be put into practice worker contracts and peasant contracts in all state forestry centers, and worker or worker family forestry centers will be vigorously set up. Workers who are unwilling to sign contracts may stay on the job with their wages suspended while they seek employment. A group of forestry centers that have been under construction for many years and that have very low investment benefits and no prospects for development will be closed down and turned over without fail.

3. Expansion of the right to decide on forest tree cutting, and simplification and transfer to lower levels of procedures for examination and approval. Under

the premise that the forestry "three fixes" and the forest tree contracts will be fulfilled, the provincial department will only control the total consumption of forest trees. With regard to planting trees on unutilized land around their houses, on their hills for personal needs and on river banks for personal needs, if assigned by the commune or the brigade, the peasants will have the right to decide on tending cutting, reproduction cutting and clear cutting, and after the cutting all they have to do is to record in the register what they have done; the three operations on forest trees owned by the collective will be entrusted by the county forestry departments to the township government for its examination and approval, and the forestry work station will provide the technical services. The three operations at state forestry centers will be examined and approved, in accordance with the relationship of subordination, by the forestry department at the same level.

4. "Dredging and improving" timber circulation channels, opening up timber to free markets. The timber produced by foresters and peasants and by the commune and brigade collective may be sold in the locality and may also be sold outside the prefecture and county or outside the province and autonomous region. Places where timber markets were formerly set up will no longer be closed. Places where timber markets were formerly closed will, without exception, be opened up to free timber markets, and free transactions will be practiced. With regard to timber management, the system of exclusive management by the forestry department has been broken and multichannel management will be practiced.

5. Improvement of management and administration. By getting a tight grip on revising the technical regulations for afforestation, the raising of seedlings, and air sowing, the regulations for forestry center management and the methods of seed administration and management, and by formulating new methods for the utilization and management of forest resources, state nurseries, the closing of hillsides to facilitate afforestation, timber on real estate and forestry funds, the backward situation in which the afforestation survivability rate was low, the preservation rate was low and the storage and production rate of forest trees were low has basically been resolved.

9727

CSO: 4007/183

VIEWS ON REFORM OF AGRICULTURE RECLAMATION SYSTEM

Shijiazhuang HEBEI RIBAO in Chinese 7 Jun 84 p 1

/Article by staff reporter Xing Dexiang /1630 1795 4382/: "Provincial Agriculture Department Gives Opinions on Reform of Agriculture Reclamation System"

/Text/ During the thorough implementation this year of the spirit of Party Central Committee Document No 1 and the party consolidation work, the provincial agriculture department has further eliminated the influence of the "left," upheld the principle of seeking truth from facts and boldly given opinions on the reform of the old administrative forms and the management system in agricultural reclamation that hinder the display of the workers' and staff's initiative. The provincial government has already critiqued and passed on the department's ideas for reform throughout the province. It has called on agricultural reclamation departments of all levels to strengthen their leadership and strive to do good reform work. It has called on all relevant departments to provide vigorous support so as to insure the successful carrying out of reform work. The main opinions on the reform of the agricultural reclamation system are:

1. Within the state farms, active establishment of worker and staff family farms. This year, the land, fruit trees, forest land, water surface, grass shoals, banks and other basic means of production should be given under long-term fixed contracts to the worker and staff families to run. In the family farms set up by the workers and staff, their original status and basic wages will not change and they may still enjoy the basic welfare treatment, but in accordance with stipulated regulations, they must turn over to the farms all accumulated reserves. Family farms have the right to sign economic contracts with parties outside the farm and have the right to open accounts in banks. It is permitted for family farms, after completion of the task of turning over agricultural and sideline products to the state, to process and sell the remaining ones through many channels and by long-distance transport, and the prices may float. It is permitted for the workers and staff of family farms to invest and buy shares in state and collective enterprises, and they may also pool their resources and set up various kinds of cooperative enterprises in which profits are divided according to the number of shares held. It is permitted for family farm workers and staff to go into cities and towns and engage in trade and run factories.

2. A further opening up of industrial enterprises. Enterprises operating at a loss and enterprises in which production is in a slump are to be put under the ownership of the whole people and run by the collective. For enterprises with tiny profits whose original value of fixed assets is less than 1.5 million yuan, whose annual profit is less than 200,000 yuan and whose average profit per person is less than 300 yuan, the method of sole responsibility for progressive increases in sales and profits is to be practiced. For enterprises whose original value of fixed assets is 1.5 million yuan or more, whose average profit per person is 1,000 yuan or more and whose supply and marketing of output is fairly regular, the system of bonuses linked to sales and profits is to be practiced, calculating the bonus rate by the sales and profits and the bonuses issued last year, and by this calculating what the bonus rate should be this year, in principle no setting a cap or maintaining a floor on bonuses. For enterprises which last year were sanctioned to practice the price-rate wage system, on the premise that the profit rate on 100 yuan of wage does not fall, that the content of the unit product wage does not increase and that the growth rate of the individual's income does not exceed the growth rate of profits from sales and profits turned over, in principle there will also not be a cap set.

3. Good reform of the existing management system. On the foundation of separating the party and government enterprises, a marriage system is to be set up with "collective leadership by the party committee, democratic management by workers and staff and administrative command by the farm director." Step by step the old system of head-farm and farm branch-production team is to be changed to the new system of company-company, branch-worker and staff family farm. Administrative offices are to be run on a business, specialized and social basis. In financial management, the three-level (in some cases, two-level) accounting system is to be changed step by step to the accounting system of family contract households, family farms and specialized complexes.

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CSO: 4007/183

BRIEFS

PURCHASE PRICES FOR COTTON IN 1984 GIVEN--From 1 September this year, our province has canceled the 5 percent above-price subsidy on northern cotton, and the method of getting the add-on price from the base for cotton has been changed to the "2:8" ratio method (namely 20 percent of the cotton is purchased according to the list price while 80 percent is purchased according to the list price with a 30 percent add-on price). The purchase and add-on price funds have been settled for cotton-padded clothes. The purchase price of our province's "327" standard-grade gin rolled cotton is 180.79 yuan per 100 jin, 18.24 yuan lower than in 1982 (the price of the 1983 production year has not yet been calculated), but the production cost of the cotton per dan is 100 yuan, so the profit from producing cotton is still more than 80 percent, which is still very favorable for cotton-padded clothes. The purchase price of other grades of cotton is equal to the standard-grade purchase price multiplied by the price differential of each grade, and the specific price will be announced to the cotton growers by the cotton and hemp companies in the various counties. In addition, this year there will be no add-on price for selling substandard cotton, no grain incentives and no chemical fertilizer incentives. The purchase price per 100 jin of substandard first-grade cotton is 36.45 yuan, and for substandard second grade it is 14.58 yuan. /Text/ /Shijiazhuang HEBEI RIBAO in Chinese 14 Jun 84 p 2/ 9727

CSO: 4007/183

STOCKBREEDING BASES SHOW RAPID DEVELOPMENT

Beijing RENMIN RIBAO in Chinese 10 Jul 84 p 1

/Article: "Gratifying Progress Made in Construction of Stockbreeding Bases in Heilongjiang"/

/Text/ To suit the needs of development for rural commodity production, Heilongjiang gave full play to its local predominant resources of grain, grass and water, adjusted the agricultural economic structure and increased the development ratio of stockbreeding and related service trades. As a result, the construction of stockbreeding bases has achieved gratifying progress.

After the countryside put into practice the production responsibility system, grain production had rich harvests for many years in a row. After the problem of grain shortages for people and livestock raising was generally eased, the vast numbers of peasants and herdsmen in the traditional livestock-raising grassland areas, the mountainous areas and the semimountainous areas then received an urgent demand to go all out in developing livestock farming. Presently over the entire province in 63 cities and counties, 6 special stockbreeding bases have been constructed: a commodity hog base for Jihulan, Bayan and 16 other counties; a commodity cattle base for Taikang, Tailai and 13 other counties, along with a fine-wool sheep base in Kangbei; a fine-wool sheep base in central Dongbei of the eastern mountainous and semimountainous areas; a Holstein milk cow base for Haerbin, Shuangcheng, 3 other cities and 4 other counties, a milk goat base for Suileng, Hailun and 13 other counties, and meat, milk, egg and poultry base for 14 large and mid-size cities.

These stockbreeding bases that have started to take shape are promoting the development of rural commodity production and some of the peasants have started on the road to wealth. In a little more than 2 years this province, from these bases, has put on the market 1.988 million live hogs, 15,000 cattle, 370 million jin of cow milk, over 20 million jin of goats milk, 2.76 million jin of sheep wool and over 70 million jin of fresh eggs.

The main reasons for the fast progress of Heilongjiang's stockbreeding bases is strengthened leadership, the relaxation of policies and the adoption of vigorous measures: (1) the adoption of a policy which is state operated and collective and has everyone in unison, and also the operation of small bases within the large ones. They use counties or regions for the large bases and

specialized households and villages for the small bases, and the support of the specialized households is used to bridge the gap in stockbreeding base development. Livestock raising has been developed all over the province, with over 53,000 households specializing in poultry and with 3,576 specialized villages. (2) The construction of grass-threshing and fodder-processing industries which expand the sources of fodder has been emphasized. During these 2 years the people of the province have planted over 1.15 million mu of pastureland and 870,000 mu of grassland with rootstock type grass, have constructed over 1.87 million mu of various kinds of fenced pastureland and since 1979 have established 130 feed-processing plants. (3) Livestock raising and breeding technology have been strengthened and livestock sources have been increased. The province has established a 14,000-person technician contingent and has a comparatively modern station for directing breeding. This station is responsible for the supply of ox and cow semen and similar work. (4) The development of the processing industries for livestock products and the smooth management of product circulation have accelerated. Within the bases a total of 12 new factories for milk products, pasteurized milk plants and woolen mills have been built. Over 20 small-type canneries have also been constructed, with each of the bases capable of processing meat, milk and wool.

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RAPID DEVELOPMENT OF TOWNSHIP, TOWN FOOD INDUSTRY

Beijing ZHONGGUO XIANGZHEN QIYEBAO in Chinese 8 Jun 84 p 1

/Article by Li Mian /0519 0517/: "Food Industry in Townships, Towns of Heilongjiang Province Take Three Big Strides in 3 Years"

/Text/ The food industry of townships and towns in Heilongjiang Province is developing rapidly, and in the past 3 years it has taken three big strides. Taking 1980 as the base, the 4-year grand total of output value is 800 million yuan, with an average rate of increase per year of 49 percent. In 1983 the output value was 282 million yuan, an increase of 26 percent compared with that of 1982 and an increase of 230 percent compared with that of 1980. The profit was 41.18 million yuan, a 31 percent increase compared with that of 1982 and a 345 percent increase compared with that of 1980. Its proportion of the gross industrial output value of townships and towns throughout the province has increased from 6 percent in 1980 to 181. percent in 1983, and the number of enterprises has developed from 5,500 after the reorganization in 1981 to 4,350 in 1983, an increase of 24.3 percent and an increase of 1.4 times over that in 1980.

The fairly rapid development of the food industry of townships and towns is based first of all on on-the-spot processing of the local natural resources, turning resource superiority into economic superiority. In 1983 the township and town enterprises in the province processed rice, flour, soybean oil, potato products, dairy products, white spirits, beer and raw materials needed to can products worth 200 million yuan, creating an output value of 280 million yuan, changing straight-sale raw materials into semiprocessed products and thereby increasing income by 80 million yuan.

Second, energetic support has been given with respect to funds. The provincial bank has vigorously supported the development of the food industry in the townships and towns. The enterprises have used 18 million yuan of bank funds. The provincial bureau has allocated 9.96 million yuan in investments. These funds have supported the construction and expansion of 367 food-processing products for the urban and rural market and have promoted the development of the rural economy.

Third, talent has been trained and quality vigorously promoted. In the first case, technical training classes are run at each level to train talent. Since

1980, the provincial bureau has run technical training classes in potato-processing (starches and potato starch noodles) equipment, industrial arts and technologies, oil pressing and dairy product-processing techniques, thereby training for various places more than 300 backbone elements. These backbone elements have returned to the various places and have played a very good role. In the second case, the improvement of product quality has been vigorously promoted and overall quality control has been practiced. Since the provincial bureau began to run training classes in enterprise quality control in 1980, the number of enterprises that practice overall quality control has gradually increased, and fairly good results have been obtained in more than 100 food-processing factories. In 1982, comparisons and assessments were made of the products of the potato industry, and six were assessed as "leaders" with the township and town enterprises taking first place in five of them. Three kinds of food were assessed as ministerial high-quality products and five kinds as provincial high-quality products. These eight kinds of high-quality food account for 50 percent of the high-quality products in the province's township and town system. In 1983, beer and starches were also assessed as ministerial high-quality products.

Fourth, model experiences have been popularized. The popularized models have blossomed and borne fruit in the province's township and town enterprise system. Some food enterprises, with the improvement of product quality and economic results as their center, have put into practice economic contracts and various management systems; have strengthened technical foundation work and, focusing on the problem of weakness in enterprise technical management, have in a planned manner maintained, innovated and transformed equipment, made necessary replacements of equipment and also begun to add measuring and testing measures; and have applied the experiences of fraternal factories in launching technical innovation and organizing the tackling of the key problem of quality and have striven to create high-quality products. Some prefectures and counties practice product comparison and assessment once a year and have put into effect some measures to encourage the creation of high-quality products. By attaching the utmost importance to strengthening leadership, the leading groups and the technical ranks of the enterprises are constantly being improved.

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SUMMER GRAIN HARVEST EXCEEDS STATE STORAGE SPACE

Beijing RENMIN RIBAO in Chinese 10 Jul 84 p 2

/Article: "State Purchases of Wheat Unlimited, the Peasants May Set Their Minds at Ease--Commenting on State Purchases of Summer Grain in Henan"/

/Text/ As soon as the state's summer grain purchases began, the problem of peasants in some areas of Henan having trouble selling grain immediately became visible. The doorways to some grain depots are so clogged with peasants trying to sell grain that water could not even leak through, and in some places the grain carts waiting to sell grain are lined up for 3 or 4 li. The peasants are both happy and worried, happy because of the bumper harvest and worried because they are afraid they will not be able to sell the grain in their possession.

There are definite grounds for the worries of the peasants. This year Henan Province again had a bumper harvest, with a total output exceeding 30 billion, and according to grain department estimates, this year's summer grain purchases will exceed those of last year. Because of insufficient storage capacity, although the grain department is doing all it can to find more there will still be a 2 billion-jin storage shortage. Therefore, most of it will have to be distributed to 30 or 40 counties that concentrate on grain production.

The Henan provincial party committee and the provincial government are paying very close attention to this situation. They explained to the peasants that after the state reaches its purchasing goal, grain depots will continue to accept wheat over the quota that peasants want to sell to the state. They will not close up or refuse to accept their grain.

Since there is too much grain and too little storage, why not limit purchases? A comrade of the provincial department concerned said to this reporter that the key was how to deal with the problem of "too much grain" and "too little storage."

Is there too much grain at the present time? Indeed there is more than in the past, but looking at it from the point of view of the average amount of grain per person, then Henan really does not have much grain. Last year in Henan the average amount of grain per person was 773 jin, still a low level. Presently the ratio of meat, milk and eggs in the people's food consumption is

not large and the majority of people merely work to have food and clothing. The province's foodstuff industry is fairly backward and the feed industry is just starting to move forward. From these conditions it can be seen that the development of grain production is presently and will be for a considerable period of time in the future an extremely important task. We need to strengthen and develop an excellent condition for grain production. The pressing matter at hand is to open up a channel for the circulation of grain which will aid the peasants in selling their grain.

What can be done about the seriously insufficient storage facilities? In the last few years Henan has had consecutive bumper harvests, 80 percent of the province's grain storage is already occupied and so there really is not a lot of storage left. Yet with the grain department actively looking for more storage, restoring old warehouses, establishing new warehouses and clearing out space and combining and erecting covers for outdoor storage stacks, two-thirds of this year's purchased grain can be stored in this way. The way to store the other one-third of the summer grain is to call to action the "people storing for the state," as well as to rent commune grain warehouses not in use. In this way the problem of little storage space will not be hard to solve.

Yanling County estimates it will put over 100 million jin of summer grain into warehouses. This is three times the production goal of the entire year. In order to solve the problem of insufficient storage, each township government and the grain management office--according to the sequence of state warehouses first, production brigade warehouses next and people storing for the state last, township by township, village by village and household by household--in 5 days worked out the amount to be stored by the state and the amount to be stored by the people for the state, which completed the preparations for warehousing the summer grain. Luyi County estimates it will purchase over 100 million jin of wheat this year, with the grain department currently having very few empty warehouses. The county and township governments organized the masses and had them vigorously develop the method of people storing for the state and, with the county's 62,000-plus lattice-type warehouses having a storage capacity of 200,020,00 jin, tentatively set up peasant households to store over 90 million jin of grain.

In making sure the purchases do not stop, in solving the peasants grain-selling troubles and in urging the continuation of increased grain production, the basic method is to break free from the situation of having the grain department as the sole manager of grain, to open up multiple channels for management and to lift restrictions on grain markets. Recently the responsible person of the provincial government explicitly proclaimed that from now on all restrictions pertaining to grain leaving the province (no matter if it were unprocessed food grain or flour) would be lifted and be further welcomed other provinces to send entrusted purchasing agents or to purchase grain directly.

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PROSPECTS FOR RAMIE PRODUCTION OUTLINED

Changsha HUNAN JINGJI XINXIBAO in Chinese 25 Jun 84 p 1

[Interview with "responsible cadres" of the Hunan Hemp, Cotton and Silkworm Cocoon Company: "What Are the Prospects for Developing Ramie Production in Hunan?"]

[Text]

Editor's Note: During the Seventh 5-Year Plan, Hunan will focus on development of one of the province's special characteristics and advantages--the ramie textile industry. What is the ramie production situation in Hunan? Will it be possible to guarantee the development of the ramie textile industry? We asked responsible comrades at the Hunan Hemp, Cotton and Silkworm Cocoon Company for the answers.

Question: What are the prospects for the development of ramie production in Hunan?

Answer: Ramie is a primary industrial crop of Hunan and has a long history of production here. Before 1978, however, total purchases by supply and marketing departments fluctuated around 100,000 to 200,000 dan, not enough to meet market demand. In recent years, ramie production has developed quite rapidly due to implementation of the agricultural production responsibility system. We jumped from second to first place nationally in terms of area, total output and amounts purchased. Purchases in 1978 totalled 370,000 dan, an increase of 130,000 dan over 1978 purchases of 238,000 dan. However, due to the slow pace of construction in the ramie textile industry, and especially to the rapid development of the chemical fiber industry, some ramie products were replaced by chemical fiber products. Nationally, this led to a situation where production of ramie exceeded sales, leading to surplus commodity stocks. International markets recently began opening up to natural ramie fiber products, and ramie textile finished goods and semi-finished goods are not subject to tariff restrictions. Moreover, customs taxes can be reduced by two-thirds. For this

reason, foreign businessmen are continually signing export contracts with China. This has provided China with favorable conditions for development of the ramie textile industry. In recent years, the domestic ramie textile industry has developed fairly quickly, processing capacity has continually expanded, and the use of ramie cloth has gradually increased; moreover, in order to open up domestic markets, the CPC Central Committee decided to implement a preferential tax policy for ramie goods, and the tax rate for pure ramie cloth, textiles of ramie mixed or mingled with other natural fibers, and yarn was reduced from 18 percent to 8 percent. The tax rate was reduced from 13-18 percent to 3 percent for textiles made of washed ramie mixed or mingled with other natural fibers. The domestic selling price of washed ramie mixed textiles was reduced. This means that there is some hope for opening up sales in domestic markets. There is now a trend toward equilibrium in amounts bought and sold. It can be expected from the above changes in the situation that there are broad prospects for the development of ramie production.

Question: Are there any problems in ramie production?

Answer: There are three main problems. The first is that there have been rapid decreases in amounts purchased in recent years. There are overstocks from several years in the past, and the state readjusted the purchase price downward last year. In combination with serious natural disasters, the ramie farmers stopped cultivating it, and yields were low. There was even some pulling up or destruction of ramie in many areas. This caused a rapid decline in amounts purchased in recent years. Only 257.5 million dan were bought last year. The second problem is the low quality of the ramie in some regions. This is mainly due to the confusion and regression of varieties, and too few of them suited for high quality textile yarn. A third problem is the low technological level of cutting systems in some areas. A lot of seeds are included and there is a heavy gum content. This makes it difficult for ramie textile plants to strip off the gum belt, and leads to increased consumption of additional raw materials.

Question: What measures should be taken for developing ramie production?

Answer: We first of all must stabilize policies. Ramie is a perennial crop. It should not be transferred for a fixed period of 10 to 15 years following the implementation of contractual responsibility for land. This will enable the ramie growers to feel safe in production and strengthen cultivation and management. Secondly, there should be a corresponding restoration and development of the area planted in ramie. It is best to maintain 1982 production levels and strive to increase yields. For this reason, we must carry out scientific planting of ramie and establish stable, high yielding ramie plantations. We should gradually improve and purify varieties and make a suitable increase in the varieties with a high fiber content. Some better varieties include Huzhuqing from Yuanjiang, Yama from Yizhang, Baijiaoma from Jiahe, Huangkema from Dayong. There should be zoning of varieties, and supply and marketing departments can set prices according to variety grades so as to encourage the peasants to increase their incomes by planting high yielding improved varieties. Strive to improve product quality, and make a great effort in cutting system technologies to strengthen the ability to compete and give full play to the superiority of Hunan ramie.

SHIFT OF COMMODITY GRAIN BASE IN JIANGSU PROVINCE

Hangzhou ZHEJIANG RIBAO in Chinese 14 Jul 84 p 3

[Article: "Jiangsu's Commodity Grain Base Shifts from South to East"]

[Text] The commodity grain base of Jiangsu Province is now being shifted from the south to the north. The former commodity grain base in southern Jiangsu is now replaced by a new base in northern Jiangsu. This is a new feature and new trend of the development of agricultural production in Jiangsu in recent years.

Northern Jiangsu historically was one of the grain-deficient regions in our country. Its grain output was far below that of southern Jiangsu, and the people could barely be spared from hunger. Since the 3d Plenary Session of the 11th Party Central Committee, agricultural production in northern Jiangsu has developed rapidly. In 1983, the gross grain output here rapidly increased to 38.1 billion jin, more than double that of 1978 and accounting for 63 percent of the gross provincial output. The amount of grain for each person was 1,352 jin, or 647 jin more than in southern Jiangsu. There were also good harvests of cotton and edible oil, and their gross outputs amounted to 57 percent and 61 percent, respectively, of the provincial output.

Because of the readjustment of the triple-cropping system in southern Jiangsu since 1978, its grain output has declined considerably. Last year, the amount of grain for each person in southern Jiangsu was 13 jin less than in 1975. The gross grain output in Suzhou Prefecture has been reduced from more than 8 billion jin to some 6 billion jin. On the other hand, three large grain-producing areas emerged in northern Jiangsu: first, in Yangzhou, last year's gross grain output was 9.6 billion jin, of which 3 billion jin went to the granary. The state assigned Jiangsu a grain quota of 800 million jin, and 600 million jin were transported out of Yangzhou. Second, in Huaiyin, the gross grain output last year was 10.5 billion jin, and the commodity rate of grain was as high as 26 percent. Third, in Xuzhou and Lianyungang, the gross grain output last year was 10.8 billion jin, of which 2.6 billion jin were for sale on the grain market. All three grain-producing areas have surpassed Suzhou in grain output in the same year. Therefore, people have said: we kept our eyes on Suzhou in the 1970's, but now should look at Yangzhou in the 1980's and Xuzhou, Huaiyin and Lianyungang in the 1990's. It shows the gradual shift of Jiangsu's commodity grain base from the south to the north.

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CSO: 4007/198

IDEOLOGICAL PROBLEMS IN JIANGSU'S RURAL COMMODITY FLOW

Guangzhou YANGCHENG RIBAO in Chinese 29 Jun 84 p 1

[Article: "Of 'Cabbages', 'Green Bugs' and Other Things"]

[Text] One of the special characteristics of rural Jiangsu is that the peasants themselves are operating commercial enterprises and opening up circulation channels.

The former circulation system in the rural areas of Jiangsu had become quite powerless in the face of the recent rapid development of commodity production. It was better for the peasants themselves to take the initiative. Thus, commodity networks of varying sizes run by the peasants themselves sprang up one after the other like sprouts after a rain. What followed was a thundering, pounding wave--major reforms in the supply and marketing cooperative system. Activities under ownership by the whole people were transformed into collective activities, and government commerce became peasant commerce.

This caused misgivings among certain people, however. According to the Jiangsu Province CPC Committee Rural Work Department, some people proposed the theory of "a head of cabbage". They compared social commodities to "a head of cabbage", meaning that the more "bugs" there were (referring to administrative units), the less that would be available for everyone. Some even went so far as to consider the "farmers' companies" that were as numerous as the hairs on a cow to be only "pretty skeletons" and "hollow companies" (meaning companies that were economically weak and hollow). The peasants were not bothered by this idle chatter.

There is a town in Jiangdu County called Yiling. Beginning in 1982, commercial enterprises operated by the peasants began to develop intense competition with state-run enterprises and with supply and marketing cooperatives. They were willing to engage in any kind of business, even for dead people (cotton clothing for burying the dead). The result was that the total value of social commodity sales in the town surpassed 20 million yuan that year, an amazing 48 percent increase over 1981. With the settling of accounts at the end of 1983, another breakthrough was

achieved when total social commodity sales exceeded 27.6 million yuan, an increase of nearly 30 percent over 1982. The competition also led to an increase in business in state-run enterprises and supply and marketing cooperatives. None of the "bugs" went hungry. In Yiling, the number of cloth stores has grown from one to five, and the number of department stores has grown from two to eight. The number of fixed commodity network points reached more than 200, an increase of 1.5 times over the number before the reforms. Peasant purchases of production materials and the sale of farm and sideline products or the purchase of household goods were very convenient.

In Zhangshidang Township in Baoying County, after the implementation of rural economic policies, output of the area's famous special product, lotus root, increased greatly. Because of barriers to circulation, difficulties in preserving freshness and the fear of the supply and marketing cooperative that it would have problems or suffer a loss, however, people were unwilling to buy it even for 0.18 yuan per jin. The result was that several tens of thousands or even hundreds of thousands of jin of fresh and tender lotus root rotted each year. After the peasants set up service companies through economic diversification, the situation of overstocks was quickly transformed. Some of the peasants even transported the lotus root to Shandong and sold it at a good price. Some particularly astute peasants ran into a Japanese businessman last year and came up with a plan to meet him in Zhangshidang. They invited him to sample the fresh, tender and juicy lotus root. The Japanese businessman was quite pleased, and he quickly struck a deal. He would buy the lotus root at 0.70 yuan per jin and ship it to Japan for sale after treating it with diluted salt water. All of the lotus roots were bought up last year, and the peasants of the area had more than 300,000 yuan to put into their "lotus bags" (wallets).

According to the introduction from the comrades in Jiangsu, the enlivening of the circulation system in rural Jiangsu was mainly learned from Guangdong. There was a lot of debate about this method in the beginning, but the attitude of the provincial CPC Committee and government was clear. They felt that there were several small problems, but that it was not easy to find fault with it, so it should be fully and warmly supported. This made today's situation possible. Guangdong has undoubtedly had a lot of success in this area, but the facts have shown that Jiangsu has opened up an arena of friendly competition with Guangdong. Whoever can break through the most obstacles will be sure to win.

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CSO: 4007/220

RESTRUCTURING OF SUPPLY, MARKETING COOPERATIVES

Shenyang SHICHANG ZHOUBAO in Chinese 19 Jun 84 p 3

[Article: "Ownership By the Whole People Should Become Collective Ownership, Bureaucratic Administration Should Become Administration By the People--Government of Liaoning Approves the Program of Provincial Supply and Marketing Cooperative for Reform of Supply and Marketing System"]

[Text] The government of Liaoning Province recently approved the provincial supply and marketing cooperative's "Program for Reform of the Supply and Marketing System."

The guiding ideology of this program is that ownership by the whole people should be changed to collective ownership, and "bureaucratic administration" should become "administration by the people". All regulations, systems and policies that are not suited to rural development should be reformed, and supply and marketing cooperatives should become cooperative enterprises that truly are closely integrated with the interests of the peasants.

The basic content includes:

1. Reform of financial management systems. 1) All capital of the cooperatives, including fixed assets, must not be pulled out, apportioned or diverted by any department, unit or individual. 2) Eliminate restrictions, release and absorb, gradually increase commune member shares and proportions. As for commune members becoming shareholders, there should be guaranteed interest for shares, and there should be extra dividends taken out at a fixed ratio depending on the profit condition of enterprise administration. Investments by commune members should take the form of special investments or investments and contributions of labor brought in by employees to integrate and establish various types of enterprises, carry out independent accounting and bear responsibility for profits and losses. 3) Basic level supply and marketing cooperatives with low profits can apply to the county government for exemption from or reduction of their taxes. Those cooperatives that have operated at a loss for a long period should have their business taxes reduced or exempted for a limited time period. 4) Expand the rights over profit distribution. Apart from the 10 percent redistribution fund from the profits of basic-level cooperatives that should be turned over to the county

cooperative federation, the remaining portion should be decided upon by the cooperatives themselves.

2. Reform labor and personnel systems. 1) There should be a system of popular election of leading cadres in basic level co-operatives. 2) There should be a system for recruiting technical and specialized administrative personnel. 3) The system of joint responsibility for employees should be changed to a labor contract system. 4) Establish a retirement pension fund system for contractual employees. 5) There should be no changes in the original treatment of state employees.

3. Expand the scope of administration and the sphere of services. Break down the restrictions in the current scope of administration and sphere of services, decide upon the scope of administration and services according to the needs of the peasants. In townships and towns that do not have a bulk sales network for industrial products, supply and marketing cooperatives can develop a bulk sales business through their own arrangements, by acting as agents, or by joining others.

4. Get rid of egalitarianism in distribution and truly achieve the principle of payment according to labor. There should be no ceilings or floors on enterprise bonuses; instead, they should be "tied" to wages. An employee labor shareholder system should be established.

5. Permit a certain amount of flexibility in prices.

6. Actively assist in the construction of integrated rural economic organizations.

7. Earnestly carry out reforms in the county cooperative federation system.

In its comments on the program, the provincial government said that, although there have been some initial developments in reform of the supply and marketing cooperative system in Liaoning, there have still been no breakthroughs in certain substantive questions.

The core of the reform of the supply and marketing cooperative system is to transform ownership by the whole people into collective ownership, and to transform "bureaucratic administration" into "administration by the people." Only if this problem is solved will it be possible to give play to its greater dynamism and to gain the active support and assistance of the peasants.

The comments require that, because the reform of the supply and marketing system touches a broad area and has a strong policy nature, there should be strengthened leadership at all levels of the people's government, and related departments should provide active assistance and coordination.

IRRIGATION TRANSFORMS WASTELANDS OF YINANN PREFECTURE

Yinchuan NINGXIA RIBAO in Chinese 9 Jul 84 p 1

/Article: "Yinnan Prefecture's Construction To Open up a New Irrigation Area Is Producing Marked Results"

/Text/ The vast number of cadres and the broad masses in Yinnan Prefecture, through many years of difficult struggle have opened up 376,600 mu of land and already have had 9,900 households with over 50,000 people move from crowded and old irrigated areas and dry mountain areas into the new irrigated area to settle down. The former sandy wasteland has undergone a tremendous change, gratifying progress is being made in the area and beneficial results are gradually beginning to be derived.

In 1980 the Yinnan prefectural party committee convened a conference on construction work in the new irrigation areas, summing up each county's experiences and the lessons learned in construction to open up new irrigation areas. In the study, construction policies and the direction for development were drawn up to suit the actual situation, leadership was strengthened and party policies were used to arouse the active spirit of thousands upon thousands of households. Since the beginning of this year, each county and city have earnestly carried out Central Committee Document No 1 and have gone a step further in formulating more specific policies for developing newly-irrigated areas, causing the masses to feel reassured. They also started a vigorous mass campaign for developing newly-irrigated areas, which had over 3,300 households individually or jointly raise funds for the needs of contracting the opening of new irrigation areas. In the construction to open up new irrigation areas each county and city in Yinnan stuck to the policy of relying mainly on their own efforts while making state aid subsidiary. They gave wide publicity to the arduous undertaking of the advanced units and typical households and to their diligent devotion to meritorious deeds while arousing the masses to speed up new irrigation area construction.

There has already been 200,000 mu of grass and trees planted in the newly-irrigated area. Also planted were 11,000 mu of economic forest, over 3.9 million trees all over in scattered locations, 23,000 mu of various types of industrial crops and 119,000 mu of oil-producing crops. Last year the newly-irrigated area had a grain harvest of 47.94 million jin. The 17 households in Dingjiatang village of Hexi township, Tongxin County, are an economically-unified body,

maintaining the overall development method of unified farming, forestry and animal husbandry and synthesized agricultural work and business. Last year its grain production per person was 1,137 jin, and the average income was 423 yuan. The family of commune member Ma Zhanxue /7456 0594 1331/ of Tangfang village, consisting of 17 persons, last year planted vegetables, grew tree seedlings, raised sheep and engaged in transportation work. The family received a total income of 22,000 yuan, for an average income per person of nearly 1,300 yuan.

In mid-June the Yinnan prefectural party committee and the administrative office convened a worksite meeting on the construction of opening up new irrigation areas. They proposed plans and measures for the development and construction of new irrigation areas for the next 17 years. They are determined to continue increasing the development and construction pace and to establish as soon as possible in Yinnan mature forests, oil-bearing crops, raw materials for light industry and livestock product bases and to make a contribution so that "Ningxia will quickly be able to stand on its own."

12704

CSO: 4007/196

REGION'S RURAL DEVELOPMENT REVIEWED

Yinchuan NINGXIA RIBAO in Chinese 24 Aug 84 p 1

[Article: "Stand Up and Build, Propagandize for, and Promote Ningxia: Comrade Cai Zhulin of Ningxia Party Standing Committee Announced at News Conference Ningxia's Rural Economy in Good Shape: There Were New Breakthroughs in Agriculture, Forestry, Animal Husbandry, Fishery and Business"]

[Text] On 22 August the Propaganda Department of the Ningxia Party Committee held a news conference in light of a proposal by Ningxia Party Committee Secretary Li Xuezhi [2621 1331 2535] to build up and propagandize for Ningxia. At the news conference Comrade Cai Zhulin [5541 4554 2651] of the Autonomous Region Party Standing Committee introduced the good news on the agricultural front in Ningxia that there have been new breakthroughs this year in agriculture, forestry, animal husbandry, fishery and business. Comrade Cai also represented the Area Party Committee in announcing the strategically important policy of opening up and developing "two 1 million mus."

There was another bumper harvest of summer grains this year despite numerous natural disasters, sustaining increased grain yields. The forecast is for total grain output to amount to more than 1.6 billion jin, approximately a 5 percent increase over the previous year. Autumn grains are doing well and bumper harvests are in sight barring unforeseen circumstances. Five successive years of increased yields have brought with them the new "problem" of local grain excesses as well and we must adopt measures to remedy this: first is to promote sales through many channels; second is to launch farm household storage with the state granting remuneration; third is to develop animal husbandry to convert a portion of the grain into meat, poultry and eggs.

Forestry production is developing faster than in any previous year in the 35 years since the founding of the PRC. As of the end of June there were 1.15 million mu of cultivated forests (throughout Ningxia), exceeding the total area of forestry reserves brought about by the afforestation in the 30 years of 1949-1979; 1.03 million mu seeded to grass, a marked increase over the previous year; 65,000 mu of seedling cultivation, a 29 percent increase over the same period last year and 127 percent of that called for in the annual plan; 71 million trees in the "four sides" afforestation program, an increase of 51 percent over the same period the previous year and 128 percent of the annual plan. Guyuan Prefecture conscientiously implemented the directive of leading

comrades of the Central Committee to "oppose plucking the pipa," with notable success in forest and grassland construction; there has been 900,000 mu of afforestation already this year with survival rates of more than 80 percent in general.

Livestock production continues to develop steadily. There were 630,000 head of large livestock on hand throughout the region at the end of June, comparable to the beginning of the year; 480,000 live hogs, a 2 percent increase over the beginning of the year; 2.78 million sheep, an 11 percent increase; 4.78 million chickens being raised, a 30 percent increase over the same period last year. There has been an increase in livestock products; pork output for the first half of the year was 10 percent above the same period last year, fresh milk output increased 29 percent and fresh egg purchases were up 71 percent.

There was new development in fishery. Water surface for fish raising amounted to 85,000 mu in the first half of the year, an increase of 18,000 mu over last year; output was 1.49 million jin, a 28 percent increase over the same period last year.

The rate of growth in small town businesses in the first half of the year exceeds that of any year in history. Gross income for small town businesses throughout Ningxia in the first half of the year was 58.9 million yuan, a 41 percent increase over the same period last year. There were increases over last year for all 19 cities and counties (districts) throughout the autonomous region. Increases were more than 1-fold in Yongning County and Taole County.

Comrade Cai Zhulin also represented the Area Party Committee at the news conference in announcing the strategically important policy of opening up and developing "two 1 million mus." This is the opening up of 1 million mu of new irrigated districts in the Yanghuang [2254 7806] area in the south and reclamation of 1 million mu of (barren white [baijiang 4101 0304]) saline-alkali land north of Yinchuan; this holds the greatest potential for quadrupling agricultural output in Ningxia. We are just now in the process of opening up the new irrigated areas and have already set up projects in the Yanghuang area including Guyuan Haiyuan, Tongxin, the terraced areas in the southern mountains, and six other places, developing more than 370,000 mu. We have also made definite progress in experiments in reclamation of saline-alkali land north of Yinchuan, and practice proves that saline-alkali land is not land which is forever barren; rather, it can be transformed. Comrade Cai Zhulin emphasized that we must renew our understanding of the saline-alkaline land north of Yinchuan, establish confidence in it, and create conditions to quicken the pace of reclaiming and managing it.

12513

CS0: 4007/236

PROVISIONS FOR RESTRUCTURING SUPPLY, MARKETING COOPERATIVES

Jinan DAZHONG RIBAO in Chinese 20 Jun 84 pp 1-2

[Article: "Shandong People's Provincial Government Issues Interim Provisions for Thoroughgoing Restructuring of Supply and Marketing Cooperatives"]

[Text] The Shandong People's Provincial Government recently issued its "Interim Provisions for the Thoroughgoing Restructuring of Supply and Marketing Cooperatives," the full text of which follows:

In compliance with the spirit of the instructions of the CPC Central Committee and the State Council, our province has, since 1982, introduced certain reforms in the structure of supply and marketing cooperatives. Progress has been made in strengthening their mass character in organization, their democratic style in administration and their flexibility in operations. Such progress has had a positive effect in developing the production of commodities, speeding up circulation, enlivening the economy in the cities and rural areas, meeting the daily needs of the peasants and making available to them the means of production that they need. However, the reform measures which have been taken still fall far short of what is expected of us by the CPC Central Committee in seeking to create a new situation insofar as the development of the rural economy is concerned. In order to continue to bring about thoroughgoing reforms and to develop completely the special role which can be played by the supply and marketing cooperatives in promoting the circulation of commodities in the rural areas, and in compliance with the spirit of Document No 1 issued by the CPC Central Committee and that of the Second Session of the Sixth National People's Congress, the following interim provisions for the restructuring of supply and marketing cooperatives are hereby issued by the Shandong People's Provincial Government:

I. Guiding Thought Behind Reform

The most basic objective for restructuring the supply and marketing cooperatives is to change them from "government-operated" into "people-operated" organizations, to restore to them their character as cooperative commercial enterprises under the collective ownership of the peasants and the masses and to make members of such cooperatives their own masters. This basic objective must be borne in mind when reforms are being made in such areas as sources of funds, scope of operations, range of services, personnel, labor and distribution system, administration of finances and the setting up of offices and network outlets. The

supply and marketing cooperatives must be made into overall service centers in the rural areas for supply and marketing, processing, storage, transportation, technology and information. They must serve as major avenues for developing the production of commodities in the rural areas, as agents for linking up the economy in the cities and rural areas and as major channels for the circulation of commodities in the rural areas.

II. Further Increase of Shares Held by Members of Cooperatives

The shares presently held by members of cooperatives represent too small a ratio of the funds held by the supply and marketing cooperatives to reflect the true mass character of the ownership system. Restrictions should be removed from the limited number of shares which the peasants are permitted to hold. The number of shares must be permitted to be freely bought and sold. Interest and bonuses should be paid to encourage the vast masses to buy more shares so that the supply and marketing cooperatives may establish a close link with the economic interests of the peasants. Guaranteed interest should be paid out of the funds of the cooperatives and bonuses out of the profits that remain after the payment of taxes according to a stipulated ratio. Funds originally owned by the cooperatives should be used for purchasing and marketing commodities, promoting production or setting up facilities to promote circulation. They may also be used locally or for investment in outside areas.

The supply and marketing cooperatives at various levels may use either special funds or funds and labor of their own to engage jointly with the peasants either individually or collectively in the production, processing, storage, transportation and service enterprises. These enterprises are to have their own independent accounting and are to be responsible for their profits and losses. According to provisions which have been set up, the state is to exercise control over enterprises established by the pooling of funds and to reduce the amount of taxes paid by such enterprises or to exempt them from the payment of taxes within a certain period of time.

The "three materials" for the capital constructions of jointly operated enterprises set up by the pooling of funds and for capital construction paid for by funds owned by the basic-level cooperatives are to be supplied by the concerned departments according to provisions governing capital construction undertaken by the enterprises in the rural areas and towns.

III. Enlargement of Scope of Operations

The supply and marketing cooperatives have the "dual responsibility" of purchasing and marketing products according to the state plan on the one hand and of marketing the products of the peasants, supplying the means of production and the daily necessities required by the peasants and providing them services prior to and following production on the other. They are to adopt flexible operational measures to ensure the fulfilment of the state plan. They are to break through the existing limits of the scope of their operations and of the range of their services and to engage in whatever operations that would satisfy the needs of the peasants.

1. After having fulfilled the monopoly purchasing and assigned purchasing quotas for the three types of subsidiary agricultural products, the supply and marketing cooperatives are to engage actively in the first and second types of subsidiary agricultural products that are permitted to be sold in the market and are to be permitted to set prices according to prices prevailing in the market.
2. Regarding the allocation of industrial products under the state plan, the cooperatives are, in addition to organizing their supply according to plan, to ensure the sources of supply and to increase the amount of supplies to meet the needs of the peasants within the permissible limits set by the policy of the state.
3. Regarding operations pertaining to industrial products in daily use, the basic-level supply and marketing cooperatives must break through the barrier set up by the regions, the cities and rural areas and the trades and businesses in laying in their stock from selected localities in line with the logical flow of commodities; direct their efforts toward increasing the designs, colors and varieties of commodities; and ensure the adequate supply of such commodities. They must also develop in a positive manner their wholesale operations and serve as agents for such operations. The joint country cooperatives should engage in joint purchasing and separate marketing and permit the basic-level supply and marketing cooperatives to engage in the processing of agricultural supplies and building materials.
4. The large and medium-size cities as well as the major collection and distribution centers for subsidiary agricultural products should set up wholesale markets or trading service centers for subsidiary agricultural products, establish direct contact between producers and sellers, promote the interflow of supplies between the cities and rural areas and speed up the circulation of commodities.
5. The supply and marketing cooperatives will be permitted to set up retail stores in the cities for the sale of subsidiary agricultural products, native products and special native products; wholesale stores and stores selling foodstuffs with various local flavors; and restaurants and jointly operated stores free from regional restraints. They are to be permitted to operate on a year-round or seasonal basis. They are to have their independent accounting and to pay taxes according to regulations. The cities are to provide them the necessary facilities for setting up commercial operations in the business centers.
6. As for industrial products in daily use whose prices are set by the state, the basic-level supply and marketing cooperatives will be permitted to set different prices within a certain range for certain competitive products of different designs and colors so designated by the province so long as the same prices are maintained for the same types of commodities.

By laying in supplies directly from the factories and from other areas, the supply and marketing cooperatives can, by reducing the number of links, reduce the prices of commodities. Except for commodities whose unified prices are

set by the state, the supply and marketing cooperatives will be permitted to set prices lower than list prices in the localities. At the request of the peasants, they will be permitted to serve as their agents in the purchase of the means of production and subsistence which may then be sold to the peasants at the purchasing price plus expenses. As for commodities processed by themselves, the supply and marketing cooperatives, aside from certain types of commodities whose prices are set by the state, will be permitted to set their own prices as well as preferential prices for members of cooperatives who are also shareholders.

IV. Enlargement of Scope of Services

The supply and marketing cooperatives must make the rendering of services to the peasants the main purpose of their work. They must render the peasants whatever services they need.

1. The supply and marketing cooperatives must lend their active support to the peasants and collectives in developing production in agriculture, forestry, animal husbandry, by-products and fisheries. They should offer them information, purchasing and marketing, processing, storage, transportation, seedling planting and technical services. They may also engage in joint operations with the peasants and collectives.

2. The supply and marketing cooperatives must render services to the enterprises in the rural areas and towns by making available to them raw materials, by helping them sell their products, by providing the peasants effective assistance in developing the production of subsidiary agricultural products and the processing industries, by making a special effort in doing a good job in the processing of oil, fruits, foodstuffs, marine products and animal feed, by gradually altering the practice of the direct sale of subsidiary agricultural products by the producers and by increasing the value of products through processing to increase the income of the peasants. They must render positive assistance to the peasants who have difficulty in marketing their products.

3. The supply and marketing cooperatives must make a positive effort in building facilities for the preservation, storage and transportation of subsidiary agricultural products to meet the need for the development of production in the rural areas. They must set up an information network to offer accurate market information to the peasants so that the production of commodities may be developed to meet market needs.

4. The supply and marketing cooperatives must organize and initiate on a larger scale the renting, maintenance and repair services so as to render greater service to the peasants in production and in their daily lives.

V. Employment and Service System for Cadres

1. The election, promotion and demotion system for cadres.

As provided by regulations set up by the cooperatives, the organs of power of the supply and marketing cooperatives at various levels are the congresses of the members of cooperatives of the same level and the boards of directors

elected by the congresses. The control and inspection organs are the supervisory committees elected by the congresses of members of cooperatives and the boards of directors. The boards of directors and the supervisory committees of the supply and marketing cooperatives at various levels are to elect the directors and deputy directors in a way that is conducive to "the four modernizations of cadres." The responsibility system is to be applied to the presidents (managers) of the boards of directors who will have full authority in organizing and directing the operations of the enterprises. Those who are derelict in their duties are to be recalled according to the provisions of the regulations of the cooperatives.

According to the principle of integrating the operations of the enterprises and management by the cadres, the joint cooperatives of the counties are to exercise control over the basic-level cooperatives as well as the cadres and staff workers of the enterprises under the counties. No department or individual is permitted under any circumstance to assign or transfer personnel in an arbitrary manner.

The necessary technical and management personnel are either to be supplied by the state, trained by the enterprises and/or hired through advertisements. No restriction will be put on where the applicants for the positions advertised come from. They may either be full-time or part-time workers. Those who are qualified are to be signed on and well remunerated.

2. Staff workers are to be put under contract and permitted to accept employment or to resign from their positions.

The political and economic treatment for cadres of the state and permanent staff workers is to be based on the existing provisions set by the state.

All the commercial agricultural workers as well as long-term and temporary workers are to be evaluated by the joint county cooperatives as stipulated by the higher departments concerned. Those who qualify and whose services are needed will sign labor contracts and will continue to be employed. The length of their previous services is to be taken into account. Those who have been judged as unqualified or those whose services are no longer required will be dismissed.

Additional personnel will in the main be recruited from young members of the cooperatives in the rural areas who are also shareholders and who have attained the senior middle school cultural level. They may also be recruited from senior middle school graduates not belonging to farm households in the market towns. Unified examinations will be held by the joint cooperatives. The best qualified will be signed on for employment.

Workers placed under the contract system, being rural and not city and town residents, will be responsible for their own grain rations. As stipulated by the contracts, those who have proved themselves unqualified and whose services are no longer required for production and operations are subject to dismissal.

The wages for staff workers under the contract system will be determined according to the existing standard for permanent staff workers. Staff workers under the contract system may also retire or resign according to the provisions for the management of staff workers under contract to the supply and marketing cooperatives.

VI. Enforcement of the System of Distribution According to the Amount of Work and Establishment of the System of Paying Bonuses According to the Amount of Labor

1. The supply and marketing cooperative enterprises will adopt various types of the responsibility system in their operations. The amount of wages and bonuses for staff workers will vary according to the volume of business of the enterprises and the quantity and quality of work done by the workers. Differences in the incomes among the enterprises and their staff workers will be permitted. Piece-rate wages may also be paid under certain circumstances.

Bonuses that are paid before the payment of taxes will be managed according to stipulations set by the state. The amount of the bonuses paid to individual staff workers will be determined by the quantity and quality of their work and by the amount of their contribution and will not be confined to a maximum or minimum. Bonuses will not be paid to enterprises which suffer losses.

2. The college, middle and trade school graduates originally or newly assigned to the basic-level enterprises of the supply and marketing cooperatives under the county level (those assigned to basic-level enterprises from the provinces, prefectures and counties in terms of the organizational and wage systems) will be paid fixed wages from the day they report for service. After they have proved themselves equal to the job during the probation period, their basic wages may be raised by one grade over the promotion normally given by the state. This one-grade increase in wages will become a fixed wage if they have served for 8 consecutive years. The temporary increase of one grade in wages will be rescinded for those who leave their front-line jobs before having completed 8 consecutive years of service.

3. Those enterprises which have fulfilled all the economic quotas may, on the basis of the 3 percent quota for the promotion of cadres and staff workers (including staff workers under the contract system), reward those cadres and staff workers who have distinguished themselves by making significant contributions by giving them a promotion.

4. The supply and marketing cooperatives will adopt the system of paying job subsidies. Full-time staff workers who are directly engaged in trades and businesses which pose toxic and other health hazards will be paid the same amount in job subsidies that are paid by the same types of state-operated trades and businesses. The selected full-time leadership cadres in the basic-level and joint county cooperatives and enterprises under the counties which have fulfilled all their economic quotas will be paid leadership job subsidies. Such subsidies will be rescinded once they have failed to be selected (job subsidies will be paid out of funds for the payment of wages). Those in leadership positions in enterprises which suffer losses in their operations will be held economically responsible.

5. Enterprises under the counties as well as the basic-level cooperatives will adopt the system of paying labor dividends. According to stipulations, a certain ratio of the profits that remain after the payment of taxes at the end of the year will be set aside as funds to be paid meritorious staff workers as labor dividends.

VII. Reform of the Financial Administration System and Enlargement of Control by the Basic-level Cooperatives over Their Own Properties.

1. The enterprises of the supply and marketing cooperatives at various levels are to have their own independent accounting, to be responsible for their profits and losses, to adjust their own funds and to pay their income taxes. They will not be held responsible for losses resulting from the implementation of state policies. The funds owned by the cooperatives at various levels, including circulating funds and fixed assets, being funds collectively accumulated by the supply and marketing cooperatives, will be placed under the unified control and at the disposal of the supply and marketing cooperatives under the supervision of the state treasury and the banks. No department, unit or individual is permitted under any circumstance to transfer, apportion, appropriate or divert such funds for their personal use. They are likewise not permitted to demand services without making payment. Funds which have previously been transferred under the guise of egalitarianism or arbitrarily borrowed and appropriated for personal use must be cleared up and returned. The supply and marketing cooperatives will no longer be responsible for paying the wages of personnel not employed by their enterprises.

2. The boards of directors of the basic-level supply and marketing cooperatives have the power to use and to invest as they see fit the funds of their enterprises. As stipulated, the basic-level cooperatives are empowered to use their funds for the purchase, installation, maintenance and repair of simple facilities not under the control of higher authorities.

3. Aside from the 10 percent adjustment funds paid to the state, the profits made by the supply and marketing cooperatives after the payment of taxes will be distributed according to a schedule devised by the boards of directors on the basis of the ratio set by the higher authorities for the withdrawal and retention of the various funds with due consideration for the interests of the enterprises, the staff workers and the members of the cooperatives. The program for the distribution of profits will be discussed and decided on by congresses of members of the cooperatives.

VIII. Establishment of Operating Units in the Economic Zones

1. Basic-level supply and marketing cooperatives should be established in the economic zones. They must not be dismantled or established at random with changes in the administrative divisions. Those basic-level cooperatives which are too small in size and volume of business may keep their stores by merging with other cooperatives if they so desire. Newly incorporated villages and towns may, if necessary, strengthen the original key stores or retail departments and enlarge their scope of operations to render better services to the local peasants.

2. The basic-level supply and marketing cooperatives are independent economic entities which have the power to engage in their own operations free from the control of administrative units and departments at any level. They may engage in various forms of joint operations at various levels. Administrative units and departments at whatever level are not permitted to resort to administrative measures to interfere with their legitimate operations.

3. The wholesale enterprises above the county level must carry out reforms and make readjustments with a view to reducing the number of links, increasing economic effectiveness and speeding up circulation.

Wholesale operations in subsidiary agricultural products are mainly centered in the counties. The specialized companies in the counties will be strengthened.

Except for the existing provincial wholesale enterprises responsible for purchasing, allocating and laying in for the state supplies of cotton and hemp, the means of production and salt, all the class-2 centers will be transferred to a lower level and most of them will be placed under the cities. The small number of transregional class-2 centers responsible for storage and disaster relief will be jointly operated by the provinces and cities with the latter assuming major responsibility. Specific programs will be drawn up by the provincial supply and marketing cooperatives for implementation. The provincial enterprises and their cadres that remain after reorganization will be placed under the management of provincial cooperatives. The local party committees will be consulted in the employment, dismissal, rewards, punishment and transfer of key leadership cadres.

IX. Strengthening the Establishment of the Contingent of Staff Workers

The responsibility assumed by the supply and marketing cooperatives is an arduous one. However, the ideological, cultural and technical level of the contingent of staff workers is far too low to meet their job requirements. The quality of the contingent of staff workers must therefore continue to be improved. The supply and marketing cooperatives must strengthen ideological-political work and offer their staff workers education in the theories of communism, current affairs, the legal disciplinary system, the revolutionary tradition and professional ethics. They must offer staff workers in the trades and businesses technical, scientific and cultural education and establish colleges and middle and vocational schools for their training. It is essential to develop a contingent of idealistic, ethical, cultured and law-abiding staff workers in the commercial field in the rural areas who are completely dedicated to the service of the peasants.

X. Strengthening Leadership in the Work of Reform

The thoroughgoing reform of the administrative system of the supply and marketing cooperatives is one of great significance involving a wide range of operations. It is complicated in nature and has a great deal to do with matters of policy. It is incumbent upon the governments at various levels to strengthen their leadership in an effective manner. The concerned leadership cadres in

the provinces, cities, prefectures and counties must assume responsibility for organizing the operational units concerned to promote a wide range of reforms. The concerned departments must establish close coordination with and lend their support to the supply and marketing cooperatives in bringing about reforms. They must study various ways and means to solve the problems encountered in the course of bringing about reforms as well as those which have presented themselves in certain test areas. As a matter of principle, the preferential treatment and flexible policy applying to the enterprises in the rural areas and towns should be equally applicable to the basic-level supply and marketing cooperatives. A breakthrough must be made of those existing policy stipulations which hamper the introduction of reforms and the development of business operations. The vast number of staff workers must be made fully aware of the need to reform the supply and marketing cooperatives and to take an active part in the reform movement. All staff workers must be advocates for reform and stand united in movement. All staff workers must be advocates for reform and stand united in their effort to bring a new look to commercial operations in the rural areas.

All the departments in the prefectures and cities must draw up and carry out specific programs effectively in accordance with the interim provisions listed above.

9621

CSO: 4006/631

JINCHENG CITY USES CONTRACT SYSTEM FOR FARM, SIDELINE PRODUCTS

Taiyuan SHANXI RIBAO in Chinese 15 Jun 84 p 1

/Article by the survey and research office of the provincial supply and marketing cooperative: "United Supply and Marketing Cooperatives of Jincheng City Comprehensively Practice Contract System for Purchase, Sale of Agricultural and Sideline Products"/

/Text/ This year, the united supply and marketing cooperatives of Jincheng City have comprehensively practiced the contract system for the purchase and sale of agricultural and sideline products, signing 31,200 contracts for the purchase of agricultural and sideline products with a total of value of 14.66 million yuan, exceeding 80 percent of the plan for the entire year and doubling the total value of last year's purchase of agricultural and sideline products.

In the course of practicing the contract system for the purchase and sale of agricultural and sideline products, Jincheng City has persisted in the principle of making the planned economy primary and the market's regulative role supplementary; given prominence to supportive measures for the commodity production of the "two households" /key households and specialized households/; employed flexible and diversified purchase and sale prices; made clear the responsibilities that should be borne and the economic benefits that should be enjoyed between agriculture and business and between one business and another; and, centering on the central link of expanding purchases and sales and based on the production and management of agricultural and sideline products and the market condition, signed six kinds of contracts of a helpful and supportive nature. The city's united supply and marketing cooperatives have clearly stipulated that all basic-level cooperatives can run their own businesses and that the city's companies absolutely must not meddle in them, that all peasants can sell their products themselves and the basic-level cooperatives are vigorously to encourage them to do so and that the city's companies are to put their focus on signing more contracts with the outside and expanding their sales to the outside. This kind of integration from top to bottom, which has both unity and division, can fully arouse the enthusiasm of all quarters.

To expand and enliven the purchase and sale of agricultural and sideline products, there must be flexibility in price management. Jincheng City practices six kinds of purchase and sale prices: the first is the centralized procurement price. For example, with regard to cotton, the relevant policies stipulated

by the state for grade specification standards and proportionate purchases are strictly implemented. The second is the agreed price. For example, with regard to the commodities of hawthorn fruit and brooms, a floating base price is reached by discussion between the agricultural and commercial sides, the highest part being divided by agriculture and commerce according to a proportion of 8 to 2 and the lowest according to a proportion of 2 to 8.

The third is the exclusive-right purchase price. For example, in purchasing green Chinese onions and potatoes, the contract rigidly fixes the purchase price, and with the peasants' settling of accounts and with how much is sold, it has nothing to do with the peasants. The fourth is a purchase at a protected price. Through consultations, agriculture and commerce determine a protected price, with the high part divided by proportion and with the supply and marketing cooperatives responsible for making up the deficiency in the lowest part.

The fifth is the market-following price. For example, with regard to saplings and minor food grains other than wheat and rice, the contract only determines the variety, quantity, quality and specifications of what is purchased, and at the time the transaction is concluded, the price follows the market. The sixth is the purchase and marketing price. The united supply and marketing cooperatives enforce the purchase and marketing price, which is that stipulated by the state company and entrusted to the peasants and, after the transaction, extracts a proper commission.

Now, in accordance with the contents of the contracts, the city's united supply and marketing cooperatives are marketing 380,000 jin of shantiao /1472 9742/, 1.08 million jin of grain, 230,000 pieces of ceramics, an traditional Chinese medicinal materials with a total price of 138,000 yuan. In praise, the peasants said it is a big change brought by the thorough reform of supply and marketing.

9727

CSO: 4007/183

RAINY SEASON AFFORESTATION WORK

Taiyuan SHANXI RIBAO in Chinese 9 Jul 84 p 1

[Article: "Rainy Season Afforestation Work Is Developing Throughout the Province--Concentrate on Rainy Season Afforestation, Speed Up the Pace of Afforestation--Shanxi Has Afforested 504,000 Mu and Has 5,500 Mu of Seedlings"]

[Text] At this time, rainy season afforestation work is developing rapidly from south to north in Shanxi. According to statistics for seven prefectures and Taiyuan City, the province had afforested 504,000 mu of land by 4 July, 262,000 mu of which were afforested through aerial seedling, equal to 87.3 percent of the planned area for aerial afforestation. Moreover, there are 5,500 mu of seedlings, which can afforest an estimated 150,000 mu or more.

The rainy season arrived early in Shanxi this year, and all areas made use of this favorable opportunity to resolutely adhere to the instructions of the leading comrades of the Central Committee. They acted level by level to actively carry out forest zoning, implementation of seedling planting, transfer of technical skills, signing contracts and other preparatory work. The provincial forestry department convened the first "Meeting to Coordinate Aerial Afforestation" at Yuci City during the first and middle parts of May. It was attended by responsible comrades from the forestry departments of ten prefectures, cities and related counties, the Beijing Air Force, and the Taiyuan Chinese Aviation Industry Aviation Service Office. Tasks were assigned and contracts for aerial afforestation of 300,000 mu were signed. Afforestation work is proceeding almost one month ahead of the pace last year.

On 27 June, the Shanxi CPC Committee and the provincial government convened a broadcast mobilization meeting on rainy season afforestation, and each area further grasped this line of work. The Xinzhou Prefecture CPC committee and administrative offices within the province convened a telephone conference on the third day and called on each county to concentrate both on artificial afforestation and aerial afforestation during rainy season afforestation, and to take care of trees, irrigation, flowers and grass. Moreover, they organized a work group with 130 people to go down to the basic levels and push the work forward. The prefecture has now completed afforestation on 196,000 mu, of which 46,000 mu were afforested through aerial seedling, the highest in the province. Jinzhong Prefecture earnestly summarized and disseminated its successful experiences in aerial afforestation through the years. Aerial afforestation tasks of 100,000 mu were easily completed in Heshun, Zuoquan, Xiyang, Yuci, Taigu and other counties, and the quality of the work met design requirements.

PROVINCIAL NOTICE ON TOBACCO MONOPOLY REGULATIONS

Taiyuan SHANXI RIBAO in Chinese 14 Jul 84 p 2

[Article: "Strictly Adhere to the 'Tobacco Monopoly Regulations', Strengthen Management Work in the Tobacco Monopoly--The Shanxi Provincial Government Office Issues a Notice of Demands for Related Departments"]

[Text] Most recently, the provincial government office issued a notice to prefectural administrations, to each city, to county people's governments, and to related departments directly under the provincial government, calling on them to strictly adhere to the "Tobacco Monopoly Regulations" and strengthen administrative work in the tobacco monopoly.

The notice said that circulation channels for cigarettes in Shanxi are chaotic, which has strongly affected financial income. The provincial people's government has adopted a series of measures for consolidating circulation channels for cigarettes. There are still those departments and units, however, that are violating tobacco monopoly policies, haphazardly obtaining and selling cigarettes outside of plans, violating regulations to handle bulk sales of cigarettes, and signing contracts to purchase and sell cigarettes on commission.

The notice said that the people's government and tobacco companies at all levels should guarantee the implementation of the cigarette production and sales plan that was assigned to our province by the state, and should strictly forbid the purchase of cigarettes from outside the province. The provincial tobacco company should unify cigarettes shipped into the province by organizing and equally distributing them according to the plan issued by the China Tobacco Company. City and county tobacco companies should resolutely adhere to the state plan and actively expand the bulk sales business. Good bulk sales will facilitate commercial and supply and marketing departments and other collective and individual retail cigarette sales commercial enterprises in importing tobacco, encouraging the peasants to take up the retail cigarette business, expanding rural retail networks, and making good arrangements for rural cigarette markets.

The notice also said that commercial enterprises, supply and marketing departments and other collective and individual retail cigarette sales businesses in all areas must not independently sign contracts to bring in cigarettes from

other provinces (municipalities and autonomous regions). All contracts already signed should be voided. Those who buy and bring in cigarettes in violation of decisions of the provincial people's government or outside of plans should turn over all profits from such sales to higher financial authorities. None can be retained or used as bonuses. The people's government in all cities and counties should entrust local tobacco monopoly departments with making earnest inspections into adherence to the above decisions in conjunction with industry and commerce administrations, commercial, supply and marketing, communications, taxation, banking, and other related departments. All those who have not operated according to the decisions in the past should be resolutely corrected. Apart from turning over all their profits, those units or individuals who go outside Shanxi to make purchases or to casually "work on commission" or "act as agents" in order to bring in cigarettes outside of the permitted cigarette circulation channels after 1 July will be considered to be involved in the illegal sale of cigarettes and will be fined 10 percent of the total value of the amount brought in. The tobacco monopoly departments, tax departments, and industrial and commercial departments will notify the local People's Bank and the Farmers' Bank for all those who refuse to pay and force them to transfer the money.

At the end, the notice said that we should resolutely adhere to the related decisions for those who violate the "Tobacco Monopoly Regulations" and bring in cigarettes from outside the province without authorization. Banks must not issue loans or take measures to settle accounts. Those who have used unusual measures to avoid supervision by the banks and obtain loans for cigarettes should be searched out, and leadership responsibility should be determined.

12539

CSO: 4007/197

BRIEFS

WHEAT PROCUREMENT POLICIES MAINTAINED--Most recently, two types of statements have been going around in some areas of Shanxi. One is that grain coupons will be invalidated. The other is that the procurement price for wheat will be lowered. The provincial Grain Bureau sent a letter to this paper on 22 June discussing these two claims and declared them to be untrue. The Grain Bureau's letter said that in order to guarantee the needs of economic construction and the people's livelihood, the state's policy of supplying fixed amounts of consumption grain for urban residents will still be implemented, and grain coupons will not be invalidated. The procurement price for wheat will remain the same as in the past, and the peasants can continue selling a portion of their grain to the state after completing state requisition tasks if it meets quality standards. Grain departments will continue to purchase it at a higher over-quota price. They will not stop buying, limit buying or refuse to buy. As for grain with negotiated prices, grain departments will still administer it according to the principles of setting prices according to quality and following market conditions. We hope that the broad masses will believe in the policy and not start unfounded rumors. [Text] [Taiyuan SHANXI RIBAO in Chinese 23 Jun 84 p 1] 12539

EXPERIMENTAL BREAKTHROUGH FOR WHEAT--With the assistance of the crop Genetics Research Institute of the Shanxi Academy of Agricultural Sciences, and cooperation by the Agriculture Bureau of the Shanxi Agriculture and Animal Husbandry Office, the first research success in Shanxi in studying the technique of increasing production through dual use of plastic membrane for plastic ground cover and mulching has been achieved. At present, specialists and professors in related areas are reviewing and appraising the research results.

Research on this topic has been going on for three years. Demonstrations at points scattered over a large area at Taiyuan, Pingyao, Xiaoxian, Liulin and other places have been carried out since 1981. Practice has proven that the use of plastic ground cover and mulching during the period when wheat seedlings stop growing during the winter not only raises the temperature, retains moisture, avoids frost damage, and leads to early maturation and increased output, but also can promote growth in late-planted wheat, and can upgrade and cause the three types of wheat seedlings to catch up. After mulching the winter wheat, low yields changed to high yields, and high yields became even higher. The increase in yields per mu can be as high as 30 to 70 percent. The plastic

ground cover is removed after the wheat turns green and used a second time for mulching cotton and other crops that are planted in the spring. Corresponding increases in output also can be achieved. Tests have shown that, through mulching, cotton yields increased 32 jin per mu, net profits from tomatoes increased by 435 yuan per mu and spring wheat yields increased by 300 jin per mu.

Specialists feel that this new plastic ground cover and mulching technique is the most important breakthrough in the history of wheat cultivation in Shanxi, and that it has enormous economic value. Provincial CPC committee and government leaders Wang Tingdong [3769 1656 2767], Guo Yuhuai [6753 5940 2037] and other comrades sent letters to the research personnel congratulating them and expressing their appreciation. Following the widespread extension of this scientific research achievement, cotton and wheat production in Shanxi will take a new leap. [Text] [Taiyuan SHANXI RIBAO in Chinese 23 Jun 84 p 1] 12539

HOUSEHOLDS SPECIALIZING IN GRAIN STORAGE DEVELOPED--According to provincial grain bureau statistics compiled at the end of May, 49 counties (cities) in the 7 prefectures--Yuncheng, Linfen, Jinzhong, Luliang, Jindongnan, Xinzhou and Yanbei--have developed 440 grain storage specialized households, which store a total of more than 170 million jin of grain. Of them, all counties in Yanbei and Jindongnan have grain storage specialized households, and the grain reserve specialized households developed in Yanbei Prefecture alone store 45 million jin of grain. In Jinzhong Prefecture, the county of Xiyang alone has developed 56 grain storage specialized households, which store a total of 24.73 jin of grain. A responsible comrade of the provincial grain bureau said that under the present circumstances in which there are not enough state grain depots, the peasants' difficulty in selling grain is a prominent problem. To solve this problem, besides taking other measures by the grain departments in various localities, a good way is to develop grain storage specialized households further. By the end of the year the 440 grain storage specialized households already developed will be able to store more than 700 million jin. /Text/ /Taiyuan SHANXI RIBAO in Chinese 8 Jun 84 p 1/ 9727

CSO: 4007/183

FREE MARKETING OF TUNG SEEDS, OIL EXPLAINED

Chengdu SICHUAN RIBAO in Chinese 21 Aug 84 p 2

[Article by Sichuan Grain and Edible Oil Procurement and Marketing Company: "What Issues Need To Be Addressed After Withdrawal of Assigned Procurement of Tung Seeds (and Oil) in Sichuan Province?"]

[Text] The Provincial People's Government has decreed that beginning with the new crop of tung seeds in October of this year, tung seeds (and oil) will be changed from a Class II commodity to a Class III commodity, assigned procurement will be withdrawn and free marketing implemented. The following summary replies are given in response to readers' questions regarding these matters, in light of relevant circulars of the provincial government:

1. Free marketing of tung seeds (and oil) gives priority to the grain departments and effects multi-channeled operations. The government and relevant departments at all levels must continue to earnestly emphasize production of the tung oil tree as the key variety to promote economic prosperity in the mountain regions. They must continue to organize and carry out set development plans, technological applications and scientific research. All units and individuals who make bulk purchases of tung seeds (or oil) must pay a production support fee of 3 percent of the gross value of purchases, with the money going to a special use fund for production of tung trees. On effecting free marketing we must appropriately eliminate former proscribed awards for harvesting [tung seeds], but in order to support tung tree production the province should still annually allocate chemical fertilizer quotas to the prefectures according to original base procurement figures and proceed through appropriate channels to assign special-purpose fertilizers.
2. Both the purchase price and the marketing price must facilitate production and circulation; in order to avoid bringing about losses in production and operations there can be no large increases or drops. The negotiated purchase price for tung seeds (and oil) must fluctuate appropriately, using last year's average negotiated price levels as standard. As for specific negotiated purchase and marketing prices, the pricing departments of each county should coordinate with relevant management departments to formulate a reference price as a guide to prevent pushing prices up to rush buying or buying at a low price.

3. Grain departments at all levels must have appropriate structures, actively engaged in free marketing of tung oil and conscientiously exercise their role as the main channel of operation. They must vigorously promote marketing contracts and enhance the gathering and dissemination of relevant information to reinforce guidance in production and consumption.

12513

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TITLE: "Some Problems Regarding Water Diversion from the Changjiang to the Hai River Plain"

SOURCE: Beijing DILI YANJIU [GEOGRAPHICAL RESEARCH] in Chinese No 2, Jun 84
pp 92-98

TEXT OF ENGLISH ABSTRACT: This paper deals mainly with the eastern route water transfer from the Changjiang to the Hai River Plain north of the Huanghe. The first-stage project of the east route water transfer was approved by the Chinese State Council in March, 1983. After the completion of this project, about 50 m³/s of water discharge would be diverted to Dongping Lake on the south bank of the Huanghe. In consideration of the second-stage project of the eastern route water transfer, the following problems are discussed in this paper:

1. The water shortage in the Hai River Plain north of the Huanghe;
2. Conjunctive use of local water in the Hai River Plain and imported water from the Changjiang River;
3. Impacts of water transfer upon the environment in the plain north of the Huanghe;
4. Rational utilization of the Huanghe's water resources.

The authors conclude that the northward water transfer from the Changjiang to the plain north of the Huanghe is likely to be advisable.

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